Sixteenth Annual Report

to March 31, 1989

Alberta

FEDERAL AND
INTERGOVERNMENTAL AFFAIRS

91-04899/

Alberta

Office of the Minister

DEPUTY PREMIER
FEDERAL AND INTERGOVERNMENTAL AFFAIRS
GOVERNMENT HOUSE LEADER

403/427-2585
Fax: 403/422-9023
Room 320 Legislature Building
Edmonton, Alberta, Canada T5K 2B6

To the Honourable Dr. David Carter
Speaker of the Legislative Assembly
of the Province of Alberta

Sir:

I have the honour herewith, for the information of the Legislature of Alberta, to present the sixteenth Annual Report of the Department of Federal and Intergovernmental Affairs, covering the period from April 1, 1988 to March 31, 1989.

I have the honour to be, Sir,

Your Obedient Servant,

James D. Horsman, Q.C.
Minister of Federal and
Intergovernmental Affairs

Edmonton

Alberta

FEDERAL AND
INTERGOVERNMENTAL AFFAIRS

Office of
the Deputy Minister

403/427-6644
Telex 037-3300
2200, 10025 Jasper Avenue
Edmonton, Alberta, Canada
T5J 1S6

The Honourable James D. Horsman, Q.C.
Minister of the Department of Federal
and Intergovernmental Affairs

Sir:

I have the honour to submit herewith the sixteenth Annual Report of the Department of Federal and Intergovernmental Affairs covering the period from April 1, 1988 to March 31, 1989.

I have the honour to be, Sir,

Yours truly,

Oryssia J. Lennie

Oryssia J. Lennie
Deputy Minister of
Federal and
Intergovernmental Affairs

Edmonton
April 19, 1991

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Additional copies of this report are available from:

Alberta Federal and Intergovernmental Affairs
2200, 10025 Jasper Avenue
Edmonton, Alberta T5J 1S6
Canada

(403) 422-1510

The Department of Federal and Intergovernmental Affairs

The basic objectives of the department of Federal and Intergovernmental Affairs are to represent Alberta's interests as an equal partner in Confederation and to ensure that all activities of the Government of Alberta in relation to the Government of Canada, governments of other provinces and territories, and the governments of foreign countries or states are conducted in a coordinated and consistent manner. The **Department of Federal and Intergovernmental Affairs Act, 1972**, established the terms of reference for the minister and the department. The responsibilities outlined in the Act may be summarized as follows:

- coordinating the Alberta government's activities in the intergovernmental sphere to ensure that they are consistent with the overall objectives of the Alberta government;
- conducting an ongoing review of the policies, programs and activities of other governments which may affect Alberta; and
- signing all intergovernmental agreements.

While the administration of programs and, in most cases, the articulation of specific policy positions remains within other departments of the Alberta government, it is the responsibility of Federal and Intergovernmental Affairs to ensure coordination, consistency and continuity in government policies when other governments are involved.

Operation and Organization

The operation of the department remained under the direction of Mr. A.G. McDonald, Deputy Minister, during the reporting period.

The functional divisions of the department comprised Economics and Resources, Social and Constitutional, and International, with Administration and Communications continuing to provide essential departmental services.

The structure of the department provides for contact with all provincial departments. Senior officers are assigned responsibility for specific areas and monitor, on a continuous basis, current developments that may affect Alberta's intergovernmental relations.

Economics And Resources

The Economics and Resources Division is responsible for the coordination of the government's intergovernmental activities as they relate to economic and natural resource issues. In carrying out this responsibility, the division reviews policies, programs and legislation; participates in the negotiation of agreements; and provides advice and takes action in support of Alberta's goals and objectives in energy, agriculture, economic development, protection of the environment, technology, tourism, transportation, utilities, consumer protection, corporate affairs, public safety services, forestry, lands and wildlife.

The division is responsible for the administration of the Canada-Alberta Economic and Regional Development Agreement, a ten-year umbrella agreement to facilitate joint planning and joint action in pursuit of Alberta's economic and regional development objectives.

The division is also directly responsible for the coordination and presentation of the Alberta government's position regarding National Defence operations within Alberta, National Parks policy and operations as they affect Alberta, and for coordinating the government's policy interests with the federal Department of Western Economic Diversification. The division also maintains close links with the Governments of Yukon and Northwest Territories.

Social and Constitutional

The Social and Constitutional Division develops policy recommendations for the Alberta government in the following areas:

- constitutional reform, including Senate reform;
- aboriginal constitutional matters;

- institutions of federalism;
- intergovernmental consultative mechanisms;
- fiscal federalism;
- general federal-provincial and interprovincial relations; and
- special projects relating to the operation of the federal system.

The division also coordinates, investigates and makes recommendations on the intergovernmental implications of the issues and policy initiatives that arise in the fields of education, human resources and training, immigration, health care, social and family services, justice, culture, labour, human rights, native issues, the status of women, housing, municipal affairs, recreation and the Banff-Jasper townsites issue.

In carrying out its responsibilities, the division monitors initiatives by the federal government and other provincial governments and conducts research on intergovernmental issues. The division also coordinates the briefing for the First Ministers' meetings, the Annual Premiers' Conference and the Western Premiers' Conference.

Ongoing communications-related activities of the division included the preparation of a weekly report summarizing Alberta government and legislature activities for distribution to Alberta Members of Parliament, and the preparation of a monthly list of anticipated intergovernmental conferences and meetings.

International

The International Division is responsible for monitoring and coordinating Alberta's international initiatives and for reviewing and making recommendations on provincial policies, programs and activities that relate to Canada's foreign and trade policies. The division monitors developments and policies in other countries which may affect the province. It also coordinates Alberta's special relationships with foreign states or provinces, and assists with international visits to the province by foreign governments. The division works closely with Alberta's seven international offices located in London, Tokyo, Hong Kong, New York, Los Angeles, Houston and Seoul.

In 1988-89, division efforts were directed to the implementation of the Canada-U.S. Free Trade Agreement and to the Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT). Other priorities were the further development of trade and other relations in the Asia-Pacific Alberta perspective, and the development of an accord between Alberta and the Russian Republic in the Soviet Union.

Communications

Communications provides public relations counsel and information services for the department and Alberta's out-of-province and foreign offices.

Asia-Alberta Exchange, a quarterly publication describing Alberta's activities with Asian countries, including the province's special relationships, was coordinated and produced by the division. The tabloid is distributed widely in Alberta and overseas.

The division operated a small gift bank for the government and assisted in selecting appropriate gifts for incoming missions and for ministerial and departmental delegations internationally.

Communications also produces *Alberta Focus*, a publication which is distributed ten times a year by Alberta's foreign offices. The publication contains information regarding economic, cultural, technological, and political trends and events in Alberta, as well as information on the activities of Alberta's foreign offices.

Finally, the division coordinated the government's efforts to provide information to the public with respect to the Canada-United States Free Trade Agreement. These efforts

included the operation of a Speakers' Bureau, the production and dissemination of informational material, and the dissemination of information provided to the department by the federal government.

Ottawa Office

The Ottawa office monitors federal government and parliamentary activities in order to provide up-to-date information to the Alberta government on current issues and developing trends that will have an impact on the province. Close contacts are maintained with federal Cabinet Ministers, Alberta Members of Parliament, Senators and federal government officials to advise them of Alberta's policies and concerns. To facilitate communication between the two orders of government, the Ottawa office reports daily on relevant statements from the House of Commons Question Period, prepares a weekly report summarizing current federal developments for distribution to Alberta Cabinet Ministers and government departments, and provides news clippings from major eastern papers.

During 1988-1989, the Ottawa office closely monitored legislation enacting the Free Trade Agreement with the United States, and activities relating to the Meech Lake Accord, including the Senate reform initiative. Also, attention was given to energy issues, including negotiations on both the Husky Upgrader and OSLO projects, agricultural issues, tax reform and the Method of Payment under the **Western Grain Transportation Act**. Major legislation tracked through Parliament included the **Canadian Environmental Protection Act**, amendments to the **National Parks Act**, the **Western Economic Diversification Act**, the **Child Care Act**, and the **Official Languages Act**. The office also assisted in monitoring the November 1988 federal election.

The office assisted in the administrative arrangements for Alberta's participation in First Ministers meetings, Senate Reform Task Force meetings, and other intergovernmental meetings. The office provided working facilities and secretarial and communications services for Alberta government officials in Ottawa. Assistance was also given to visiting Alberta businessmen and organizations, including administrative arrangements for a promotional evening for the Edmonton Tourism and Convention Bureau. Information on Alberta government programs and policies, the provincial economy, tourism and a wide variety of other subjects was provided to federal government officials, members of the diplomatic corps, academics, businesses and the general public.

Administration

The Administration Division is responsible for the provision of general administrative and financial support services to the department including human resources, finance, systems, library and records management. This includes the coordination and control of the administrative and financial aspects of all out-of-province offices, as well as the Office of the Alberta Trade Representative. As in previous years, a significant amount of work conducted by the division was in support of the Alberta out-of-province offices. During the 1988/89 fiscal year, major activities included expansion of the New York and Tokyo Offices and the establishment of an office in Seoul, South Korea.

The departmental budget for the 1988/89 fiscal year totalled $9,227,000. The department, included out-of-province offices, had an authorized manpower complement of 72 permanent positions.

During the fiscal year, work was completed on the department's office automation/ systems proposal, which will introduce a computer acquisition program, spreading over three fiscal years.

Translation Bureau

The Translation Bureau provides translation and interpretation services to all provincial departments, boards and agencies. The bureau translates correspondence, papers and other documents to and from most languages. It also arranges for simultaneous, consecutive and escort interpretation.

The bureau is comprised of in-house translation staff who provide translation services from English to French and French to English. Translations to and from other languages are arranged on a fee-for-service basis with outside contracted professionals.

Conference Activity

Intergovernmental conferences are an important and recognized mechanism for making adjustments within the federal system. The number of federal-provincial and interprovincial meetings reflect how much the activities of one government affect the activities of another, and the consequent need for intergovernmental consultation and coordination.

Federal-Provincial Activity

The following tables on federal-provincial meetings and conferences take into account all meetings at the first ministeral and ministerial level in which Alberta was a participant. (There are also numerous federal-provincial meetings below the ministerial level which have not been included in these statistics.)

Tables 1 and 2 present the total number of federal-provincial conferences held during the 1988 calendar year, by category (bilateral, regional or multilateral) and level of representation, broken down into areas of governmental activity. These tables highlight the policy areas which required the most attention in terms of meetings and conferences, and indicate the vast and complex network of intergovernmental activity. The figures represent meetings which were convened in response to a particular concern or situation, as well as committee meetings held on a continuing basis which have become more permanent intergovernmental mechanisms.

Table 1

Frequency of Federal-Provincial Meetings and Conferences According to Category and Area of Government Activity
– Alberta Participation, 1988

	Bilateral	Regional	Multilateral	Total
Constitution	0	0	0	0
General Government	2	0	0	2
Finance	0	0	0	0
Agriculture	0	2	3	5
Transportation	0	0	0	0
Education	0	0	2	2
Energy and Resources	3	2	2	7
Environment	0	0	5	5
Manpower-Labour	0	0	0	0
Statistics	0	0	0	0
Welfare	0	0	0	0
Health	0	0	1	1
Industry	1	1	2	4
Trade	1	0	0	1
Urban Affairs	0	0	1	1
Justice and Laws	0	0	3	3
Consumer Affairs	0	0	2	2
Communications	0	0	0	0
Aboriginal Constitutional Matters and Native Affairs	1	0	0	1
Status of Women	0	0	1	1
Miscellaneous	0	0	3	3
Total	8	5	25	38

Table 2

Frequency of Federal-Provincial Meetings and Conferences According to Level of Representation and Area of Government Activity
– Alberta Participation, 1988

	First Ministerial	Ministerial	Total
Constitution	0	0	0
General Government	0	2	2
Finance	0	0	0
Agriculture	0	5	5
Transportation	0	0	0
Education	0	2	2
Energy and Resources	0	7	7
Environment	0	5	5
Manpower-Labour	0	0	0
Statistics	0	0	0
Welfare	0	0	0
Health	0	1	1
Industry	0	4	4
Trade	0	1	1
Urban Affairs	0	1	1
Justice and Laws	0	3	3
Consumer Affairs	0	2	2
Communications	0	0	0
Aboriginal Constitutional Matters and Native Affairs	0	1	1
Status of Women	0	1	1
Miscellaneous	0	3	3
Total	0	38	38

Interprovincial Activity

Provinces meet to compare policy positions, and to discuss matters of mutual concern, interest and an interprovincial nature. Interprovincial conferences are sometimes held prior to federal-provincial conferences in an attempt for participants to reach a unified provincial position. Permanent mechanisms for interprovincial cooperation have been established in some instances. The pinnacle of interprovincial cooperation is the Annual Premiers' Conference. On a regional basis, Alberta participates with Manitoba, Saskatchewan, and British Columbia in the Western Premiers' Conference, usually held annually.

The following tables break down the various interprovincial meetings and conferences during the 1988 calendar year into categories similar to those used for federal-provincial meetings.

Table 3

Frequency of Interprovincial Meetings and Conferences According to Category and Area of Government Activity
– Alberta Participation, 1988

	Bilateral	Regional	Multilateral	Total
Constitution	9	0	0	9
General Government	2	1	1	4
Finance	0	2	1	3
Agriculture	0	0	1	1
Transportation	0	0	2	2
Education	0	0	3	3
Energy and Resources	3	0	0	3
Environment	0	0	0	0
Manpower-Labour	0	0	0	0
Statistics	0	0	0	0
Welfare	0	0	1	1
Health	0	0	2	2
Industry	0	0	1	1
Trade	0	3	0	3
Urban Affairs	0	0	1	1
Justice and Laws	0	0	1	1
Consumer Affairs	0	0	0	0
Communications	0	0	0	0
Aboriginal Constitutional Matters and Native Affairs	0	0	0	0
Status of Women	0	0	0	0
Miscellaneous	0	1	0	1
Total	14	7	14	35

Table 4

Frequency of Interprovincial Meetings and Conferences According to Level of Representation and Area of Government Activity
– Alberta Participation, 1988

	First Ministerial	Ministerial	Total
Constitution	0	9	9
General Government	2	2	4
Finance	0	3	3
Agriculture	0	1	1
Transportation	0	2	2
Education	0	3	3
Energy and Resources	0	3	3
Environment	0	0	0
Manpower-Labour	0	0	0
Statistics	0	0	0
Welfare	0	1	1
Health	0	2	2
Industry	0	1	1
Trade	0	3	3
Urban Affairs	0	1	1
Justice and Laws	0	1	1
Consumer Affairs	0	0	0
Communications	0	0	0
Aboriginal Constitutional Matters and Native Affairs	0	0	0
Status of Women	0	0	0
Miscellaneous	0	1	1
Total	2	33	35

Many of the federal-provincial and interprovincial conferences are served by the Canadian Intergovernmental Conference Secretariat (CICS), a permanent body jointly funded by federal and provincial governments. Services provided by CICS include correspondence with delegates concerning conference arrangements and agendas, preparation of conference transcripts and summary statements, distribution of documents and the maintenance of records. CICS provides these services for all First Ministers' meetings and is available to provide similar services and facilities for meetings of ministers and deputy ministers.

First Ministers' and Premiers' Conferences

First Ministers' Conference

Due to the timing of the federal election, the scheduled November 1988 First Ministers' Conference was cancelled. First Ministers held a luncheon meeting on February 27, 1989 to discuss interest rates, national sales tax and the Meech Lake Accord.

Interest rates

Premiers unanimously expressed the view that the Bank of Canada's high interest rate policy was damaging Canada's economy and called on the Prime Minister to press for lower rates.

Goods and Services Tax

During the First Ministers' discussion on the proposed federal Goods and Services Tax, Premier Getty continued to voice strong opposition to the tax, and gave notice that Alberta was unwilling to cooperate with the federal government in the imposition of the tax.

Constitutional Reform – Meech Lake Accord

First Ministers discussed the concerns of Premier Filmon of Manitoba and Premier McKenna of New Brunswick over certain aspects of the Meech Lake Accord. No consensus emerged from the discussions. First Ministers indicated they would await the reports of the New Brunswick Select Legislative Committee on the Meech Lake Accord and the Manitoba Task Force on the Accord.

Annual Premiers' Conference

Provincial premiers have been meeting annually since 1960. These interprovincial meetings are important features of the Canadian intergovernmental process since they provide Premiers with the opportunity to study and discuss issues of mutual concern and interest. The timing of the Annual Premiers' Conference in mid-August presents a valuable opportunity for provinces to consider possible agenda items for the Annual First Ministers' Conference, usually held in November.

Chaired by Premier Devine, the 29th Annual Premiers' Conference was held in Saskatoon, Saskatchewan, on August 18-19, 1988. Continuing a practice which began in 1982, the leaders of the Northwest Territories and Yukon governments attended the conference as observers. Agenda items for the conference included:

- the economy;
- social policy; and
- federal/provincial and constitutional issues.

Communiques from this conference are included in Appendix II. Following is a summary of the meeting highlights.

Economy

Premiers discussed a number of issues facing the Canadian economy including:

Interest Rates and Competitiveness – Premiers stressed the importance of interest

rates and exchange rates to Canada's global competitive position. They expressed concern about the high levels of Canadian interest rates relative to United States interest rates and inflation. They warned that high interest rates stifle investment, economic growth and job creation. They requested that Premier Devine, as Chair, convey their discussions to the Prime Minister, the Minister of Finance and the Governor of the Bank of Canada.

Agriculture/Drought Assistance – Premiers expressed concern about the effects on Canadian agriculture from the worst drought since the 1930s. Premiers also noted they were concerned with the continuing international grain trade conflict. The federal government was commended for its substantial assistance to farmers in 1986 and 1987, but Premiers stressed the need for continuing federal–provincial cooperation as a means of ensuring that adequate assistance is available to Canada's agricultural producers.

Trade – Premiers recognized the growing impact of international trade on the economies of every province and stressed the need for continuing federal-provincial coordination on trade issues. Premiers noted that provinces must play a full and active role in the Free Trade Agreement's dispute settlement mechanism, in the management of the Free Trade Agreement, in ongoing Multilateral Trade Negotiations and in negotiations on the General Agreement on Tariffs and Trade. Premiers also called on the federal government to introduce adjustment programs aimed at improving Canada's ability to adapt to the Free Trade Agreement.

Science and Technology/Education Partnerships – Premiers endorsed the Education and Training Strategy of the Canadian Provinces and Territories which sets out a framework for cooperative action on education and training. Premiers reiterated their commitment to continuing partnerships between industry, educational institutions and government to develop a more competitive and better prepared work force. Further, Premiers agreed that provincial Science and Technology Councils and the National Advisory Board on Science and Technology should meet again to further the progress already made.

Transportation – Premiers agreed there is a need for a national cost-shared highway system which is capable of accommodating the rapidly increasing movement of goods by truck across the country.

Municipal Infrastructure Funding – Premiers agreed that a healthy economy and continued competitiveness depends on a well maintained local infrastructure, including water supply, sewers and roads. They called on the federal government to provide significant funding to support provinces in maintaining and extending municipal infrastructure.

Environment and the Economy – Premiers stressed the importance of economic development approaches that are environmentally sustainable. They agreed to make the Environment a major agenda item for the 1989 Annual Premiers' Conference.

Social Policy

Health Care – Premiers noted that all provinces are faced with the difficult task of maintaining the high quality of health care in a period of increasing costs. They directed their Health Ministers to implement three recommendations including:

1. National Symposia. Three symposia are to be held on the following subjects:
   - Health Promotion and Disease Prevention;
   - Emerging and New Health Care Technologies; and
   - Assuring Effectiveness of Health Care Services.
2. Innovation Fund. Health Ministers are to explore, with the federal government, the

possibility of establishing a fund to encourage innovative approaches to health services.

3. Financing. Provincial Finance and Health Ministers were asked to meet to review stability, flexibility, adequacy and regional equity of funding in the health care system.

The Family – Premiers agreed that in order to enhance and strengthen family life, greater communication between governments, service providers, interested groups and individuals is needed. Premiers agreed to co-sponsor a major conference on "The Family" in Saskatchewan in 1989.

Education and Training Strategy – An Education and Training Strategy of the Canadian Provinces and Territories was endorsed by Premiers. The strategy, developed jointly by Education and Labour Market Ministers, identifies three major challenges:

1. The need for all Canadians to acquire the basic knowledge and skills necessary for modern life.
2. The need to devise education, training and labour market systems which would allow all Canadians to participate more fully and equally in the labour force.
3. The need to strengthen the linkages between education and training systems.

Federal/Provincial and Constitutional Issues

While no communique was issued on federal-provincial and constitutional issues, all Premiers agreed that an Alberta Task Force on Senate Reform would be established.

The Task Force was asked to visit each provincial and territorial government in order to discuss and promote Senate reform based on Alberta's Triple E Senate Model. The Social and Constitutional Division coordinated the Task Force's consultations and the briefing preparations. (See Appendix V, September 13, 1988, Newsrelease.)

Western Premiers' Conference

The 1988 Western Premiers' Conference was held in Parksville, British Columbia, on May 18-21. The agenda for the 1988 Conference was:

- Agriculture and Trade
- Economic Development and Diversification; and
- Federal and Provincial Relations.

Communiques from this conference are included in Appendix III. Following is a summary of conference highlights.

Agriculture and Trade

Agriculture – Premiers stressed that the international grain subsidy wars, harsh growing conditions, and the difficult financial environment were placing severe pressures on western agriculture. While acknowledging federal financial assistance, Premiers stated that agriculture must be a national priority and called for a meeting of federal and provincial agriculture Ministers to discuss the drought situation, the 1988 deficiency payments and long-term soil conservation measures. Premiers also agreed that each province should determine the method of paying the Crow Rate and, as a pilot project, requested the federal government to pay the Crow benefit directly to the grain producers in Alberta and British Columbia.

Internationally, Premiers acknowledged that they cannot maintain production subsidies and expect to trade agriculture products in international markets. Premiers reaffirmed their support for the review and phase-out of all programs which are trade distorting.

Canada-U.S. Free Trade Agreement – Continued strong support for the Canada-United States Free Trade Agreement was expressed. Premiers cautioned that provincial constitutional responsibilities must be respected, and called for full provincial participation in trade negotiations and dispute settlement processes.

GATT and the Multilateral Trade Negotiations – Premiers stressed the importance of the multilateral negotiations in resolving global problems in international agricultural and natural resource trade. Due to the critical importance of the negotiations to the future of the Western Canadian economy, Premiers reinforced the vital need for the western provinces to have direct participation in the trade negotiations. Premiers agreed to establish a working group of trade ministers to develop common western positions.

Economic Development and Diversification

Western Diversification Initiative – While commending the federal government for launching the Western Diversification Initiative, Western Premiers stressed the initiative should not be used to replace existing programs. They called on the federal government to improve responsive program delivery and underlined the importance of federal and provincial cooperation and coordination in pursuing Western economic development.

Federal Procurement In The West – Premiers stated that the Western provinces do not receive their fair share of federal procurement and urged the federal government to increase its purchases from the West. Premiers agreed to seek a commitment from the federal government to set a minimum standard and timetable for federal procurement spending similar to that which was established earlier in Atlantic Canada. Premiers also endorsed the changes in federal procurement practices recommended by the Procurement Ministers' Task Force on Improving Access to Government Procurement, and called on the Prime Minister to implement the changes on a priority basis.

Western Cooperation – Premiers recognized the need for continued and enhanced cooperation in economic development and diversification among the Western provinces. They identified the following areas in particular: interprovincial trade barriers; tourism development co-operation; trade promotion and representation abroad; initiatives in science and technology; and restraint on interprovincial competition for investment.

Interest Rates – Premiers supported Alberta's call for lower interest rates. They suggested that national monetary policy consider economic conditions and unemployment in all of Canada, not just southern Ontario.

Federal and Provincial Relations

The Parksville Accord – The Triple E Senate concept was unanimously endorsed in principle by the Western Premiers. They agreed that an Equal, Elected, and Effective Senate would provide the basis for a more representative national Parliament.

Drug and Alcohol Abuse – Western Premiers placed a high priority on developing a special western drug and alcohol abuse prevention initiative which would include education, prevention and treatment programs. They advocated the development of specialized preventative programs and treatment facilities, and their use on a coordinated regional basis.

Social Policy – Premiers discussed a number of social policy issues. They recognized the need for cooperative efforts in the areas of health care, social assistance, education/ labour market strategies and literacy.

Constitutional reform remained a major issue in Canada, with the Meech Lake Accord and Senate reform dominating much of the constitutional agenda.

As of the end of the reporting period, resolutions supporting the Meech Lake Accord had been passed in eight provincial legislatures and the federal Parliament. The provincial legislatures which passed resolutions supporting the Accord during the reporting period were:

• Prince Edward Island	May 13, 1988
• Nova Scotia	May 25, 1988
• British Columbia	June 29, 1988
• Ontario	June 29, 1988
• Newfoundland	July 7, 1988

The House of Commons rejected proposed Senate amendments and again passed its original supporting resolution for the Accord on June 22, 1988. The governments of Manitoba and New Brunswick awaited reports on the results of public hearings on the Accord before introducing resolutions in their respective legislatures. (The Alberta Legislature had unanimously passed a resolution supporting the Accord on December 7, 1987.)

Senate reform remained a major priority for the Alberta government, and Premier Getty and the Honourable James D. Horsman, Minister of Federal and Intergovernmental Affairs, actively promoted the Triple E model. At the Western Premiers' Conference in Parksville, British Columbia, May 18-21, 1988, Western Premiers unanimously endorsed the concept of a Triple E Senate.

The Meech Lake Accord provided the impetus for two important Senate reform initiatives during the year: the establishment of the Alberta Senate Reform Task Force and Alberta's **Senatorial Selection Act.**

The Alberta Senate Reform Task Force was formed as a result of an agreement at the August 1988 Annual Premiers' Conference in Saskatoon. At the conference, Premiers unanimously agreed that Alberta would establish a Task Force to pursue bilateral discussions with other governments on Senate reform, particularly the Triple E model. The Task Force was chaired by the Minister of Federal and Intergovernmental Affairs, the Honourable James D. Horsman.

Between October 11, 1988 and January 30, 1989, members of the Task Force met with the federal government and each provincial government to discuss Senate reform and to explain and promote the Triple E model. In addition to meeting with government representatives, Task Force members met with editorial boards, appeared on television and radio programs, and spoke to university forums and classes, and service and business clubs. The Task Force planned to meet with territorial representatives in the following months.

On February 17, 1989, Bill 1, the **Senatorial Selection Act,** was introduced in the Legislative Assembly of Alberta. The Bill provided for a province-wide election to select Alberta's nominee to fill the province's vacancy in the Senate. The **Senatorial Selection Act** was made possible by the Meech Lake Accord. The agreement signed by First Ministers at Meech Lake contains a commitment that Senators "shall be chosen from among persons whose names have been submitted by the government of the province to which the vacancy relates". The **Senatorial Selection Act** states provides that "persons declared elected under this Act shall have their names submitted by the Government of Alberta to the Queen's Privy Council for Canada as persons who may be summoned to the Senate of Canada for the purpose of filling vacancies related to Alberta".

This was an historic bill; an election for a Senate nominee would mark the first time since Confederation that voters would be involved in the selection of Senators.

Due to a provincial general election on March 20, 1989 the Bill did not receive approval during this reporting period.

Language Policy

In February, 1988, the Supreme Court of Canada ruled (**R.v. Mercure**) that a provision of the **North-West Territories Act, 1886** relating to the use of French, remained in effect in the province of Saskatchewan, and by implication, Alberta. The provision in question, section 110, provided for the use of French in the Legislature, in legislation and in the courts of the Territories. Section 110 fell into disuse by the territorial government and when Alberta became a province in 1905 it was believed that section 110 no longer applied. The Supreme Court ruled that since section 110 had not been repealed, the provision remained in force and, therefore, all legislation which had been passed in English only was invalid. The Supreme Court ruled that it was within the province's legislative competence to repeal section 110 and to validate, retroactively, all unilingual legislation.

On June 22,1988, the Honourable James D. Horsman, Minister of Federal and Intergovernmental Affairs and Attorney General, announced a package of legislative and policy initiatives designed to respond in a comprehensive way to the language issues which arose as a result of the Supreme Court decision. The package, which was developed after consultations with the Alberta francophone association and representations from other groups and individuals, was made up of five components:

- *Bill 60*, **The Languages Act**
  The Act validated all prior provincial legislation, Standing Orders and the records and journals of the Legislative Assembly. It also repealed section 110 of the **North-West Territories Act, 1886**. The Act provides that English will be the language of Alberta legislation. Constitutional resolutions will continue to be introduced in English and French.
- *Rules of the Assembly*
  Standing Order 17.1 was rescinded and a new Standing Order was introduced, providing that English and French may be used in the Assembly. Official publications of the Assembly will record matters in English or French. Hansard will record in either English or French, without translation. Members may also use any other language in the Assembly, with prior notice to the Speaker.
- *Court Services*
  For civil court proceedings, participants are entitled to speak English or French and an interpreter will be provided where necessary. Court proceedings will be recorded in the language spoken. For criminal proceedings, individuals may use either English or French, and have the right to a judge, jury and prosecutor who speaks either English or French, depending on the language of the accused.
- *Language Education Policy*
  It was announced that a Language Education Policy was to be developed by the Minister of Education, in consultation with Albertans. The policy, which dealt with education in English, French and the many other languages of Albertans, was released in December 1988 by the Minister of Education.
- *Inventory of Services*
  A list of current Government of Alberta services and publications available in French and languages other than English was released.

In announcing the package of initiatives, the Honourable James D. Horsman explained that they "take into account the reality of Alberta" and reflect Alberta's "multicultural heritage and the diversity on which this province has been built". (See Appendix IV for Mr. Horsman's statement and Appendix V for news release.)

Federal-Provincial and Interprovincial Matters

Child Care

Throughout the reporting period, Alberta continued discussions with the federal government on the design of the proposed federal child care program and subsequent federal/provincial agreements. Since Alberta has a well-developed system of public and commercial child care, Alberta's priorities have been to ensure flexibility in the federal program and a federal commitment to adequate financial support, in order to allow for the enhancement of child care services in Alberta.

Training

During the period to March 31, 1989, the province and the federal government discussed a new federal/provincial Training Agreement. The province maintained its position of ensuring a high level of federal commitment to the province's training programs, particularly in the area of apprenticeship. At the request of the federal government, the existing Training Agreement, which was to expire on March 31, 1989, was extended for one year.

The Family

At the Annual Premiers' Conference in Saskatoon, Premiers identified the family as the cornerstone of Canadian social and economic development, and directed work be done to find new ways of providing further support to families. Subsequent to the conference, the department undertook a survey of the family-related initiatives and programs offered by the provinces and territories. This survey was provided to other Alberta government departments that have lead responsibilities in this area.

Banff

Throughout the reporting period, work proceeded toward the incorporation of Banff as an Alberta town. The department participated in several discussions with the Banff townspeople, Parks Canada officials and other representatives of the federal government, and Alberta Municipal Affairs. At the end of the reporting period, federal and provincial officials were working on the preparation of a federal/provincial agreement which would establish the mechanisms of local authority.

Health Care

At the 1988 Annual Premiers' Conference, Premiers directed their Health and Finance Ministers to meet and review issues of stability, flexibility, adequacy and regional equity in the funding of health care services. Central to the matter of financing was the provinces' concern that the federal government should restore full indexation to the GNP escalator for Established Programs Financing. Health and Finance Ministers met in February 1989 to review this and other issues concerning the financing of health care in Canada, and subsequently requested a meeting with their federal counterparts on these issues. Also during the reporting period, the first of three provincially-sponsored national health care symposia was held. This first symposium, held in British Columbia, focused on health promotion and disease prevention.

Aboriginal Matters

At the March 1987 First Ministers' Conference on Aboriginal Constitutional Matters, Premier Getty indicated that the Alberta government would address aboriginal self-government aspirations through practical means including legislation, programs and policies. In follow-up to this commitment, the Alberta government took the following major initiatives during 1988-89:

- On July 5, 1988, Bill 64, the **Metis Settlements Act**, and Bill 65, the **Metis Settlements Land Act**, were introduced to the Legislative Assembly. Bill 64 concerned the establishment of a new and unique form of local government on the eight Metis

settlements. Bill 65 concerned the transfer of 1.28 million acres of land from the Alberta government to the Metis in Alberta. In addition, a Resolution to Amend the **Alberta Act** was tabled, which would provide constitutional protection of the land transfer. These three proposals were unique in Canada in providing Metis with a land base and local form of government.

- Premier Getty and the Chief of the Lubicon Lake Band reached a treaty land agreement on October 22, 1988. The Premier committed the Alberta government to transferring to Canada 79 square miles of provincial Crown land, including mines and minerals, to enable Canada to establish a reserve for the Lubicon Lake Band. As well, Alberta committed to sell to Canada a further 16 square miles, excluding mines and minerals, for use by the Band. The agreement proposal, which was contingent on Alberta receiving indemnification from 477 Lubicon Lake Band members, was forwarded to Canada on October 24, 1988. In December 1988, agreement-in-principle was reached among the three parties on a reserve land agreement and between Alberta and the Band on a wildlife and land use agreement.
- Agreement-in-principle was reached on December 19, 1988, among negotiators for the Sturgeon Lake Band, Canada and Alberta on a settlement proposal for the Band's shortfall treaty land entitlement claim. Alberta agreed to transfer to Canada over 16,000 acres of unoccupied provincial Crown land, including mines and minerals, to be set aside as Indian reserves for the Band; and to pay the Band, on behalf of Canada, $1,425,000. Canada agreed to pay the Band $4,628,000.
- The Metis Framework Agreement was renewed on December 21, 1988, between the Metis Association of Alberta and the Alberta government. The agreement established a consultation and coordination mechanism in the key areas of social services, career development and employment, forestry, lands and wildlife, economic development and involvement in local government.
- On December 21, 1988, agreement-in-principle was reached among negotiators for the Whitefish Lake Band, Canada and Alberta on a settlement proposal for the Band's shortfall treaty land entitlement claim. Alberta agreed to transfer to Canada 5,500 acres of unoccupied provincial Crown land, including mines and minerals, to be set aside as Indian reserves for the Band; and to pay the Band, on behalf of Canada, $10,833,000. Canada agreed to pay the Band $8,333,000.
- The Alberta government agreed, in March 1989, to commence discussions with the Alexander Band, under the federal Indian Self-Government Community Negotiations process, on issues that fall under provincial jurisdiction, including justice, education, health, social development, renewable and non-renewable resources, and environmental protection.

Environment

Environmental issues gained national and international prominence in 1988-1989, driven by concerns over acid rain, soil and water degradation, resource depletion, and depletion of the ozone layer.

There was significant intergovernmental agreement as to the future direction of environmental protection policy. The National Task Force on Environment and Economy held their final meeting in June 1988 to discuss progress in implementing the recommendations of their widely acclaimed report. They placed specific emphasis on the creation of multi-sectoral round tables on environment and economy.

At their Annual Conference in August, provincial Premiers reviewed environmental issues and stressed the importance of environmentally sustainable economic development. They agreed that the environment would be a major agenda item at their 1989 Conference in Quebec City.

Intergovernmental policy formulation was offset by the legislative and regulatory actions of the federal government. The federal government moved to assume a larger role in the management of hazardous and toxic substances through the enactment of the Canadian Environmental Protection Act. This legislation purported to establish federal authority for "cradle to grave" management of toxic substances. By moving into "down stream" activities, it significantly overlapped and duplicated existing provincial legislation and created the potential for regulatory confusion.

At an emergency meeting of the Canadian Council of Resource and Environment Ministers in September, a national strategy for phasing out PCBs was agreed to. Later that month, the federal government announced an interim order regulating the storage of PCBs pursuant to the Canadian Environmental Protection Act. This initiative created a great deal of uncertainty. The issue was resolved when the federal government moved to limit the application of the storage order in those provinces which had regulations of comparable effect to the federal order.

The difficulty in addressing the problem of regulatory duplication was reinforced in November when the federal government announced its intention to regulate dioxins, furans and the effluent from pulp mills. This announcement created uncertainty in the pulp and paper industry, which is provincially regulated across the country. The fact that the first two regulatory initiatives under the Canadian Environmental Protection Act were taken in provincially regulated areas highlighted the need to resolve roles and responsibilities in environmental management matters. This challenge remains a priority for intergovernmental negotiations.

As a humanitarian gesture, Alberta offered the Government of Quebec the opportunity to dispose of the St. Basil le Grand PCBs at the Swan Hills Special Waste Treatment Centre.

As the fiscal year 1988-1989 drew to a close, it was clear that environmental issues had emerged as a major focus for both public interest and intergovernmental activity. With the federal government becoming increasingly active in regulatory and policy areas which were traditionally the domain of the provinces, the potential exists for increasing intergovernmental disputes.

Forestry

The major emphasis during the year was the development of forest resources in the province. Announcements were made on a number of significant projects. Capital cost estimates for these projects totaled $3.5 billion.

The Government of Alberta provided various forms of assistance to forest industry companies to encourage new project development (infrastructure support of $152 million, loan guarantees totaling $590 million and debentures amounting to $420 million). Ongoing efforts to secure significant financial support from the federal government were not successful. Only minimal rail infrastructure support of $9.5 million was provided by the federal government through the Department of Western Economic Diversification.

During the year, efforts were also made to redress the way in which federal government's Special Investment Tax Credit Program is applied. Under the program, tax credits were provided for eligible manufacturers, machinery, equipment and buildings. A number of key forestry industry development projects could have benefited from the tax credit, except that only projects within the northwest part of the province were eligible. Forestry projects in the northeast were ineligible for this form of federal assistance. No changes were made during the reporting year.

The Canada/Alberta Forest Resource Development Agreement, part of the Canada/Alberta Economic Regional Development

Agreement, expired March 31, 1989. Discussions are ongoing toward establishing a significantly enriched successor agreement. Canada and Alberta have agreed to specific program elements and to targeted funding levels. However, funding commitments have not yet been made.

Reduction of Interprovincial Trade Barriers

Alberta is committed to the reduction of interprovincial trade barriers in order to stimulate domestic trade and enhance productivity. Significant progress was achieved in reducing interprovincial barriers to trade in Western Canada over the year. At their joint meeting in March 1989, the Western Ministers responsible for Procurement and Western Ministers responsible for Economic Diversification signed the Memorandum of Agreement on the Reduction of Interprovincial Trade Barriers in Western Canada: Government Procurement.

The Agreement, the first of its kind in Canada, eliminates discriminatory purchasing practices which limit western suppliers' access to government markets in other western provinces. The Agreement covers services and construction contracts as well as goods. The Western Ministers also agreed to specific measures to improve access to government purchasing and to use government purchasing to contribute to the development of western suppliers.

At the direction of the First Ministers, the Committee of Ministers on Internal Trade has been negotiating an Intergovernmental Agreement on Government Procurement which will reduce and remove barriers across all provinces. Considerable progress has been made and a draft Agreement has been prepared.

With regard to Liquor Board Marketing Practices, ongoing intergovernmental discussions concerning trade barriers resulted in a draft Intergovernmental Agreement on Spirits and Wine, which would work toward eliminating discrimination in marketing policies and practices based on the product's province of origin. Also, a study of the Canadian beer industry was commissioned to examine the regional impact of various scenarios related to eliminating trade barriers. Following the results of this study, an agreement to address interprovincial shipments of beer will be drafted.

Western Cooperation – Regional Development

The Western Ministerial Working Group on Diversification, originally struck in 1987, continued to meet to address issues of common concern related to economic development and diversification. The Department of Federal and Intergovernmental Affairs participated in the Secretariat to the Ministerial Working Group.

Significant progress included the signing of the Memorandum of Agreement on the Reduction of Interprovincial Trade Barriers in Western Canada: Government Procurement (see above), the formulation of more consistent financial legislation and policy across the West and identification of new areas for cooperation in science and technology.

Over the last year, the western provinces have worked together to pursue regional development issues with the federal government. Western Ministers responsible for diversification jointly wrote the federal government to pursue renegotiation of Economic and Regional Development Agreements. The Ministers also worked with the federal government to finalize a Memorandum of Understanding to implement the federal Western Procurement Initiative announced in 1988. They also negotiated for additional provincial input into the awarding of international carrier routes and sought federal support for North-South infrastructure improvements.

Tourism

The Western Premiers' Conference held in June 1988 resulted in a request to the Western Provincial Tourism Ministers to work cooperatively on four key tourism issues: joint marketing of the Yellowhead Highway; opportunities for other joint marketing initiatives; opportunities for cooperation on border parks; and joint cooperation in tourism management training.

These specific opportunities for cooperation were addressed by Ministers during the year. At a joint meeting in Alberta, Ministers agreed to continue their cooperative approach to review other tourism issues of common interest and concern to western provincial governments. The joint meetings contributed significantly to the advancement of western cooperation and the development of tourism as part of an economic diversification strategy.

Transportation

Effective transportation infrastructure is essential to Alberta's long-term economic development. Federal-provincial activities in the transportation area in the 1988-89 year were focused primarily on airports. Increased local control over airports in Alberta will ensure greater sensitivity to regional needs and flexibility to exploit new economic opportunities which depend on airline access. Efforts focussed on negotiating formal arrangements to ensure cooperation between federal and municipal authorities. Aviation safety standards will be incorporated into the planning standards of adjacent municipalities.

The department also consulted on arrangements to facilitate federal delegation to the local authorities of the management of Alberta airports.

Public Safety Services

Federal and Intergovernmental Affairs assisted Alberta Public Safety Services in the preparation of a draft Memorandum of Understanding on Emergency Planning to ensure cooperation between governments during emergencies. Consultations also occurred concerning federal proposals for National Emergency Agencies which would ensure provision of key services during a time of national emergency.

Financial Institutions

New initiatives were taken by the government to improve consumer protection throughout western Canada. These initiatives included consultations among western provinces to ensure greater harmonization of legislation concerning credit unions and trust companies. A major agreement was signed by the western provinces to promote information-sharing between jurisdictions to further strengthen regulation and enforcement. Intergovernmental initiatives were also taken to harmonize federal/provincial rules governing the ownership of financial institutions which are undergoing significant reforms to promote growth and competition in the industry.

The developments represented a landmark in interprovincial cooperation and will be a model for similar arrangements with other jurisdictions. In addition to protecting the consumer, interprovincial harmonization will improve the regulatory environment for business, promoting increased investment in western Canada as the financial sector grows.

Technology

Increasing research and development and the support of high technology industries are a major component in Alberta's diversification strategy. Efforts have been made to increase Alberta's share of federal expenditures in research and development. Alberta successfully negotiated its first major agreement with the Department of Western Economic Diversification in October 1988. The agreement provided for joint federal/provincial cooperation with the private sector to build the Centre for Frontier Engineering Research. This facility is to undertake

research for Alberta's oil industry to exploit new opportunities in unfavorable environments in northern Canada and offshore.

Other intergovernmental initiatives to support technology included coordinating the provincial response to federal amendments to copyright legislation intended to provide incentives for the creation of a wide range of products, including computer software. Efforts were also undertaken to support proposals for a national initiative to develop hydrogen technology which would allow Alberta to participate in new energy opportunities, based on existing resources, as well as far into the future, as new forms of energy develop.

National Parks

The National Parks in Alberta account for over 44 per cent of total National Parkland in Canada. This amounts to over eight per cent of Alberta's land or, on average, six times that of any other province. National Parks fall under the jurisdiction of the Government of Canada. However, the way this parkland is administered is of vital importance to the people of Alberta and to the economy of the province. Alberta's transportation corridors to tidewater are through Banff and Jasper National Parks. Also, the National Parks provide excellent recreational and tourism opportunities for Canadians and international visitors, which support Alberta's tourism sector.

In 1988, the National Parks Act was amended. Alberta welcomed the long-awaited review and the province made vigorous representations to the federal government outlining its views on the proposed amendments. Alberta strongly supported amendments which contribute to the preservation of the National Parks natural heritage. Because of the potentially broader impact of park-related decisions on Alberta's economy, the government maintained there had to be flexibility within the new Act to allow future consideration of environmentally sensitive development.

During the year, considerable progress was made toward implementation of self-government for the Town of Banff.

Energy

Energy issues continued to be an area of major intergovernmental activity in 1988-89. Among the most notable accomplishments was the completion of Agreement-in-Principle between governments and industry to proceed with two major energy projects: the Lloydminster Bi-Provincial Upgrader and the OSLO integrated oil sands mining project. Alberta also chaired the Intergovernmental Secretariat to the Action Committee on Western Canadian Coal to Ontario. The Secretariat approved funding on projects with industry participation of over $12 million in coal research activities.

Lloydminster Upgrader

On September 2, 1988, the Governments of Alberta, Saskatchewan and Canada jointly signed a binding agreement with Husky Oil Limited to finance, build and operate the Bi-Provincial Upgrader at Lloydminster on the Alberta-Saskatchewan border. The $1.4 billion project will create some 4,000 construction jobs and produce 46,000 barrels per day of light synthetic crude. The Upgrader represented a further step in the diversification of the Western Canadian economy, resulting in new investment in engineering and design services, new technologies, new job opportunities in both the short and long-term, as well as increased economic benefits for the Lloydminster region.

In addition, the project will enhance security of supply by ensuring an adequate supply of light oil for the Canadian market while maximizing Canadian value-added of raw natural resources. The decision to proceed with this major project demonstrates Alberta's efforts to pursue long-range policies that will enhance Canada's energy security.

OSLO

Officials from Federal and Intergovernmental Affairs and other Alberta departments worked vigorously to complete negotiations with the OSLO consortium and the Government of Canada on a major oil sands development for Northeastern Alberta. These negotiations reached fruition with the signing of a Statement of Principles to proceed with one of the largest projects ever announced in Western Canada.

The $4 billion project would produce 77,000 barrels of synthetic oil a day and create some 56,000 person years of direct and indirect employment during design and construction and 6,270 permanent jobs when operational.

Agriculture

Agricultural issues continue to generate a high level of intergovernmental involvement.

During the 1988-89 reporting year, there was a special need for government support to off-set the severe effects of the major drought which devastated the prairie agriculture economy. In addition, there were the continued effects of depressed grain prices due to international subsidy wars. There was also the need to develop alternate domestic policies to increase competitiveness in order to maintain markets and capitalize on new opportunities, particularly those associated with the Canada-U.S. Free Trade Agreement.

Major actions taken included federal--provincial cost-shared initiatives to provide a secure supply of on-farm water, $4 million for agriculture research and the negotiation of a soil conservation agreement to be implemented by mid-1989.

Under the Federal-Provincial Economic and Regional Development Agreement (ERDA), there was substantial activity under the Agricultural Processing and Marketing Subsidiary Agreement (APMA). During this reporting period, 98 projects were offered support of $7.3 million. These projects represented over $35 million of capital invested and a potential 616 new jobs.

The National Red Meat Tripartite Agreement covering the sheep, hog and cattle industries was signed in the spring of 1989. Its development was in response to the need for of a national "level playing field" for all producers. Under the Agreement, producers participate in the funding and receive a predictable level of income based on program support, even with wide fluctuations in demand and prices. The Agreement's framework allows regions to capitalize on their natural advantages.

The National Agriculture Bio-Technology Initiative (NABI) was announced in the fall of 1988 as a $50 million federal/provincial program. Significant longer-term benefits are anticipated from this program.

As a result of Alberta's continuing effort to gain support for changes regarding payment method of the "Crow Benefit", the Western Premiers, in a demonstration of unity, called on the federal government to work with the provinces on this initiative. Changes are essential in order to remove the economic distortions which are created by the present system and which directly affect the domestic price of local grain supplies and efficiencies in the grain handling system, and also deter the establishment of value-added processing.

Throughout the year Alberta met with the Quebec and federal Ministers and officials to explain the need for change in the Crow Benefit payment method and to discuss the implications of change.

Economic and Regional Development Agreement

Federal and Intergovernmental Affairs is responsible for the administration of the Canada-Alberta Economic and Regional Development Agreement (ERDA). The ERDA, signed on June 8, 1984, is an umbrella agreement establishing a framework for federal-provincial cooperation and coordination in achieving Alberta's economic and regional development objectives.

The ERDA was designed to: tailor federal programs and policies to Alberta opportunities and priorities; create mutually supportive and reinforcing development activities; strengthen multi-departmental coordination within and between the two governments; and reduce duplication and regulation. This new approach was developed to ensure that governments can deliver their programs more effectively and efficiently, thereby creating an important new vehicle for intergovernmental cooperation.

The ERDA Management Committee, co-chaired by the Deputy Minister of Federal and Intergovernmental Affairs and the Deputy Minister of Western Economic Diversification, is responsible for coordinating activities, advising Ministers and implementing ministerial decisions. ERDA programs and activities are administered through subsidiary agreements and memoranda of understanding implemented by line departments. Division officials serve as ex-officio members of management and steering committees of subsidiary agreements and memoranda of understanding, advising on the inter-relationship of specific initiatives to the broad objectives of the Agreement and providing liaison to the ERDA Management Committee. These subsidiary agreements have proven to be an important mechanism to promote regional development and diversification in Alberta.

Since 1984, five-year subsidiary agreements (cost-shared 50:50) have been concluded in the areas of:

Forestry	$23.0 million
Tourism	$56.3 million
Northern Development	$40.0 million
Agricultural Processing	$50.0 million

Memoranda of Understanding focus on harmonizing policies and on-going activities. Four Memoranda of Understanding are in operation:

- Canada/Alberta Cooperation on Native (Indian/Metis) Development
- Agriculture and Food Development
- Science and Technology Initiatives
- Transportation Planning and Coordination

During the year, considerable effort was given to maintaining the momentum of the ERDA subsidiary agreements as one of the necessary steps for continuing economic stability and furthering diversification.

Throught the year intergovernmental activities in relation to diversification included:

- Mineral Development – Based on an identified need for public sector support, negotiations were conducted in an effort to design an agreement which would target programs for the development of both metallic and industrial minerals, with an emphasis on the geoscience components. A strong private sector role was anticipated.
- Agricultural Processing – As funding for the subsidiary agreement was reaching a point of total commitment in the support of value-added food processing in Alberta, amendments affecting the scope of eligibility for the program were agreed to. A funding commitment on the part of the federal government was not been made during the reporting period.
- Cultural Industries – Efforts toward developing programs and obtaining a commitment to undertake a subsidiary agreement continued.

- Northern Development – The five year, $40 million cost-shared Canada-Alberta Subsidiary Agreement on Northern Development (NDA) completed its third year of operation as of March 31, 1989. The results of an independent interim evaluation indicated that activity under the NDA contributed significantly to diversification in the north and that further programming tailored to northern needs should be continued.

Opportunities for extension/renewal of the Northern Development Agreement were being examined, taking into account the Canadian Aboriginal Economic Development strategy.

- Tourism – The five-year $56 million Canada-Alberta Subsidiary Agreement on Tourism Development completed its fourth year of operation as of March 31, 1989. The highly successful subsidiary agreement provided support to a variety of tourism marketing and development projects of international and national significance. Preliminary discussions took place between Alberta Tourism and federal counterparts with respect to joint planning and programming opportunities in anticipatation of the Tourism subsidiary Agreement's expiry on March 31, 1990.
- Industrial Diversification – While no agreement was concluded, the need for greater harmonization of federal and provincial programs in this area was identified. Federal-provincial cooperation has occurred on a case-by-case review of applications for funding under the federal Western Diversification Fund.

Federal – Provincial Fiscal Concerns

Alberta's Stabilization Claim

The Federal – Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977 provides that when a province undergoes a year over year decline in revenues, the federal government will provide a stabilization payment to make up the difference. During the 1986-87 fiscal year, Alberta's revenues declined substantially and the province became the second province in the history of the program to become eligible for stabilization. According to federal legislation, all payments due Alberta had to be received by January 1991.

Goods and Services Tax

Throughout the reporting period Alberta continued to voice its strong opposition to the federal government's proposed Goods and Services Tax and the potential adverse effects of the tax on the Canadian economy. Alberta continues to be the only province without a retail sales tax.

Interest Rates

At both First Ministers' and Finance Ministers' Meetings throughout the year, Alberta, together with all provinces, continued to express concern over the Bank of Canada's high interest rate policy. The province argued that high rates discourage economic activity and are harmful to Alberta's competitive position in international markets.

Federal – Provincial Agreements

Mutual Legal Assistance in Criminal Matters Memorandum

Alberta completed negotiations with the federal government on arrangements for the province and the federal government to work cooperatively in responding to foreign requests for assistance in criminal enquiries. The Mutual Legal Assistance in Criminal Matters Memorandum is undertaken in accordance with treaties Canada has entered with the United States and the United Kingdom.

Native Courtworker Agreement

Negotiations were completed on a new Canada/Alberta Native Courtworker Agreement. The Agreement provides for federal/provincial cost-sharing of counselling services to Native offenders including, for the first time, young Native offenders. Counselling is provided with respect to such matters as courtroom procedures and the availability of legal aid.

Exchange of Services Agreements

During the reporting period, Alberta renewed the Exchange of Services agreements with the federal government. Through these agreements, Alberta provides detention and parole services to federal inmates at provincial correctional institutions, with cost-recovery from the federal government.

Immigration Agreement

The Canada/Alberta Immigration Agreement was extended for an additional period, now ending November 1989.

Vocational Rehabilitation of Disabled Persons Agreement

Alberta and the federal government renewed the Canada/Alberta Vocational Rehabilitation of Disabled Persons Agreement during the year. The agreement, which coordinates approaches to vocational rehabilitation, was expanded to include additional services.

Rural and Native Housing Agreement

Alberta completed negotiations with the federal government to establish a Rural and Native Housing Agreement. The agreement provides for federal and provincial funding of home-ownership and rental assistance, and is in accordance with the 1986 Global Housing Agreement.

International Affairs

The central focus of Alberta's international relations is the United States, accounting for about 70 per cent of the province's exports, 80 per cent of the tourists and the majority of foreign investment. This relationship was strengthened during 1988 with the passage by both Canada and the United States of the historic Free Trade Agreement.

Other key areas of focus for Alberta are Asia, Europe, and the U.S.S.R. Alberta's trade with the Asia/Pacific region represented 60 per cent of non-U.S. exports in 1988, versus eight per cent for Europe and six per cent for the U.S.S.R. Tables 5 and 6 provide an overview of Alberta's exports in 1988, by country and by commodity.

Europe continued to be the most important non-U.S. source of investment, although there was a marked increase in investment interest by business people from several Asian countries. While European tourists were also the most numerous after American visitors, Japan for the first time ranked as the second largest source on a country basis. (See Table7.)

International Economic Relations

The completion in both countries of all the required approval procedures for the Canada-United States Free Trade Agreement was the highlight of 1988-89. This historic legislation was proclaimed into force and the Free Trade Agreement was formally implemented on January 1, 1989.

With the Free Trade Agreement firmly in place, attention was increasingly focused on developments in the Uruguay Round of the Multilateral Trade Negotiations held under the auspices of the General Agreement on Tariffs and Trade (GATT). The first-ever meeting in Canada of a formal GATT ministerial conference, known as the Uruguay Round Mid-Term Review, was held in Montreal in December 1988.

The importance of the provinces' role in both the Canada-U.S. Free Trade Agreement and the Multilateral Trade Negotiations was again emphasized at the 1988 Western Premiers' Conference and the 1988 Annual Premiers' Conference.

Canada-U.S. Free Trade Agreement

With the conclusion and signing of the Canada-U.S. Free Trade Agreement, Alberta's attention shifted to procedures required to implement the Agreement in Canada, including consultations with the federal government on federal implementing legislation and provincial implementation responsibilities.

Various proposals were discussed in relation to provincial implementation of certain aspects of the Free Trade Agreement and in meetings with federal ministers. Alberta ensured that its constitutional responsibilities were in no way diminished by federal measures.

Table 5

Top 10 Alberta Commodity Exports 1988
($000s)

			% of Total
1	Crude Petroleum	3,124,359	23.5
2	Natural Gas	2,770,849	20.9
3	Wheat	1,069,024	8.1
4	Sulphur	777,137	5.9
5	Polyethylene	544,272	4.1
6	Coal	428,965	3.2
7	Styrene	401,452	3.0
8	Wood Pulp	385,364	2.9
9	Canola Seed	230,629	1.7
10	Live Cattle	222,273	1.7
Total Above		9,954,324	75.0
Total All Exports		13,283,514	100.0

Table 6

Alberta's Top 10 Export Markets 1988
($000s)

	1987	1988
United States	8,612,570	9,122,384
Japan	746,611	1,000,633
China	302,334	642,406
European Community	316,140	330,420
Korea, South	293,031	320,864
U.S.S.R.	193,337	266,604
Morocco	180,546	225,121
Taiwan	167,747	200,664
Australia	85,551	99,982
Brazil	122,797	92,273
Total Above	11,020,664	12,301,351
Total All Countries	11,973,953	13,283,514

Table 7

Tourists to Alberta – Ten Leading Sources, 1986 - 88

Country	1988	1987	1986	1986-88	% of Total (1986-88)
United States	1,223,479	1,046,775	1,362,348	3,632,602	82.20
Japan	93,362	64,823	46,672	204,857	4.63
United Kingdom	86,500	70,568	66,224	223,292	5.05
West Germany	52,105	34,029	38,236	124,370	2.81
Australia	30,045	26,966	22,178	79,189	1.79
The Netherlands	14,888	15,145	10,206	40,239	.91
Switzerland	13,673	9,572	9,539	32,784	.74
Hong Kong	12,057	10,537	11,669	34,263	.77
France	12,033	9,656	4,042	25,731	.58
New Zealand	10,076	8,774	7,179	26,029	.52
Total	1,548,218	1,296,845	1,578,293	4,423,356	100.00

Table 8
Official International Visitors To Alberta

Country	88/89	87/88	86/87
Japan	45	52	37
China	28	29	34
U.S.A.	25	24	24
Hong Kong	11	5	10
U.S.S.R.	10	12	16
West Germany	9	6	5
United Kingdom	7	11	8
Netherlands	7	3	3
France	6	3	4
South Korea	5	7	4
Belgium	5	4	5
Australia	5	3	5
Czechoslovakia	5	–	–
Venezuela	5	4	3
Romania	4	–	–
Yugoslavia	4	6	2
East Germany	4	3	4
Colombia	3	2	3
Mexico	3	2	3
Hungary	3	–	3
Jordan	3	–	–
Norway	3	5	3
New Zealand	2	–	–
Thailand	2	7	5
Spain	2	–	–
Algeria	2	–	–
Other	45	36	40
Total	253	224	221

Table 9
Official Visits to Alberta by Purpose

	1988-89
Familiarization Tours	
• Foreign Diplomats	17
• Canadian Diplomats	9
• Media	4
Trade and Investment	100
Energy	69
Agriculture	21
Science and Technology	11
Culture and Education	8
Other	14
Total	253

The Alberta government carefully reviewed the federal government's legislation to implement the Canada-U.S. Free Trade Agreement, particularly those elements which dealt with federal and provincial implementation. The province concluded that neither the Agreement nor the implementing legislation altered the province's responsibility and capability to manage, develop and control Alberta's energy and natural resources.

Alberta expressed its regret that the federal government found it necessary, because of the potential actions by another province, to include a provision in its implementing legislation to provide for regulatory authority in an area of provincial responsibility. The legislation empowered the federal government to make regulations with respect to Chapter 8 of the Free Trade Agreement (Wines and Spirits). However, this authority would have been brought into force only in those provinces that refused to implement the wine and liquor provisions. Accordingly, this section did not apply to Alberta, as the province had itself implemented those provisions.

To ensure that its responsibility for implementation was clearly outlined, the Minister of Federal and Intergovernmental Affairs introduced the **Free Trade Implementation Act** in the Alberta Legislature. The Act made it clear that implementation for Alberta in areas of provincial constitutional responsibility would be the result of provincial, not federal measures. In addition, Alberta continued to act in its area of constitutional responsibility and dealt with issues related to the ongoing provincial implementation of the Free Trade Agreement. The Bill was deferred to the next sitting of the Legislature and subsequently held in abeyance pending any required changes resulting from consultations with the federal government related to the provincial role in the management and implementation of the Free Trade Agreement.

At the federal level, **An Act to Implement the Free Trade Agreement between Canada and the United States of America** was introduced in the House of Commons in May 1988, received third reading in August, and was introduced in the Senate in September, where it was referred to the Foreign Affairs committee for review and possible amendment. Due to the importance of the issue to the Canadian public and the possibility of the Senate stalling passage of the Bill beyond the time needed for the Agreement to be implemented on January 1, 1989, Parliament was dissolved and a federal election called for November 21, 1988.

The focus of the federal election campaign became the Free Trade Agreement. The Alberta government had received many requests from Albertans to explain the Free Trade Agreement and to outline its potential impact on Alberta. In response to the informational needs of Albertans, the Minister of Federal and Intergovernmental Affairs released a questions-and-answers booklet on the Free Trade Agreement and distributed two editions, in June and November 1988. Also in November 1988, the Minister of Economic Development and Trade issued a summary report of market opportunities analyzing the potential benefits of the Free Trade Agreement for all the major Alberta industries. In addition, the provincial government undertook a major communications program to provide every Alberta household with information about the Free Trade Agreement. The Minister of Federal and Intergovernmental Affairs was active in speaking to groups around the province and in other parts of Canada, outlining Alberta's views on the benefits of the Free Trade Agreement. This was complemented by an extensive series of information sessions for media, business, academic and public interest groups.

With the re-election of the federal government on November 21, 1988, implementing legislation was reintroduced in the House of

Commons. It was passed there and in the Senate, received Royal Assent on December 30, 1988, and was proclaimed to be in force as of January 1, 1989, thus finally implementing the Canada-U.S. Free Trade Agreement.

In terms of federal-provincial cooperation, the twenty-first and last meeting of the Continuing Committee on Trade Negotiations, chaired by Ambassador Simon Reisman, had been held on May 24, 1988, just as the implementing legislation was first introduced in the House of Commons. Once the Free Trade Agreement was implemented, the federal and provincial focus turned to how provinces would be involved in an ongoing role in the management and implementation phase of the agreement. To this end, a formal structure, the federal-provincial Committee on the Free Trade Agreement (CFTA), was established, chaired by the Senior Assistant Deputy Minister and FTA Coordinator (External Affairs), and involved trade representatives from each province. The committee met for the first time in March 1989. Provinces pursued the issue of an ongoing provincial role, including a Ministerial committee and the question of provincial involvement in the dispute settlement mechanisms of the Free Trade Agreement, particularly where provincial measures are involved. These issues were to be addressed by Ministers in the coming months.

Alberta Federal and Intergovernmental Affairs also coordinated an ongoing provincial review and evaluation of the U.S. **Omnibus Trade and Competitiveness Act of 1988** and the U.S. implementing legislation for the Free Trade Agreement. Through the development of these U.S. acts, Alberta provided information to the federal government concerning potential effects on Alberta. Federal and provincial officials focused on resolving some of the problems which existed in Canada-U.S. trade. From Alberta's perspective, disputes involving plywood trade, and the lack of U.S. tariff reductions for oriented strandboard, and U.S. discriminatory surcharges on exports of Canadian oil to the United States (Superfund Levy) were issues which needed to be addressed. In addition, provincial liquor board practices with respect to treatment of U.S. products also entailed some minor administrative changes by the Alberta Liquor Control Board.

The major federal-provincial issues remaining to be addressed revolved around obtaining an understanding and agreement on the nature of the provincial role in the management, implementation and further negotiations of the FTA, and the provincial access to and involvement in the dispute settlement mechanisms.

Multilateral Trade Negotiations

The Multilateral Trade Negotiations, launched in September 1986 in Punta del Esta, Uruguay, proceeded throughout the reporting period leading up to the Mid-Term Review in Montreal, December 5-9, 1988. This GATT ministerial meeting was the first of its kind to occur in the middle of a round of Multilateral Trade Negotiations. When they launched the Uruguay Round of negotiations, the GATT contracting parties set the Mid-Term Review at the ministerial level to ensure that the time-table for negotiations was adhered to and to provide the required political direction needed for a successful conclusion.

In the lead-up to the Mid-Term Review, Alberta undertook to ensure Canada's position and objectives reflected the province's interests and concerns. In May 1988, the Western Premiers' Conference in Parksville, British Columbia, released a communique on GATT and the Multilateral Trade Negotiations. Western Premiers focused on the importance to western Canada of trade, particularly in agricultural and natural resource based products, and sought a prompt solution to eliminate trade distorting agricultural subsidies. They indicated it was vital western provinces participate directly in

the development of Canada's position for the negotiations. Western Premiers reinforced the need to build upon the November 1985 First Ministers' Conference commitment to full provincial participation in trade negotiations. To facilitate this, they established a Ministerial Working Group on Trade Negotiations to develop common western positions in order to contribute to the development of Canada's overall positions and objectives.

The Western Ministerial Working Group met in July, October, and December 1988, in preparation for the Montreal Ministerial Mid-Term Review. At these meetings, the Western Ministers Responsible for Trade Negotiations reviewed a variety of position papers which outlined western Canadian concerns in relation to the Multilateral Trade Negotiations. The Working Group forwarded four papers to the federal government before the Montreal Ministerial meeting. These covered: 1) natural resource based products; 2) the functioning of the GATT system and dispute resolution mechanisms; 3) the concept of an aggregate measure of support for agriculture in the Uruguay Round of MTN; and 4) early relief measures for agriculture. The Alberta Minister of Federal and Intergovernmental Affairs, in his capacity as minister responsible for trade negotiations, represented Alberta on the Working Group.

The 1988 Annual Premiers' Conference in Saskatoon also focused on the importance of trade to provincial economies. The Conference followed the theme of the Western Premiers' Conference, focusing on the necessity for federal and provincial governments to work together effectively on international trade policy and trade agreements. Recalling the 1985 First Ministers' Conference commitment to full provincial participation in trade negotiations, the Premiers reemphasized the need for a full role for the provinces, and called upon the federal government to invite all the provinces to attend the Uruguay Round Mid-Term Review meeting. As a result of these requests and independent provincial submissions from Alberta and other provinces, the federal government invited provincial Ministers responsible for trade negotiations to attend the Montreal Mid-Term Review as official observers. Alberta's Minister of Federal and Intergovernmental Affairs represented the province at this meeting. The Western Ministerial Working Group effectively reinforced western Canada's trade liberalization objectives and urged the removal of trade distorting subsidies. In addition to meeting with federal Ministers and negotiators each day, the provincial Ministers also held meetings with negotiating representatives from most of Canada's major trading partners in order to exchange views on the progress of the negotiations and to reinforce western Canadian interests.

To facilitate federal-provincial cooperation, it was recognized that a formal structure was required as an element of full provincial participation in trade negotiations. Accordingly, the federal-provincial Committee on the Multilateral Trade Negotiations (CMTN) was established, chaired by the federal Assistant Deputy Minister for Multilateral Trade Negotiations (External Affairs), with participation by the trade representatives from each of the provinces. The committee met six times during 1988-89.

Through the course of the federal-provincial dialogue, both at the Ministerial and officials level, Alberta continued to urge the federal government to negotiate the elimination of trade distorting policy measures and export subsidies, and to bring discipline to domestic agricultural policy measures which have trade distorting effects.

The Montreal Ministerial Mid-Term Review was only partially successful. Of the 14 negotiating groups on goods and the negotiating group on services, 11, including services, produced an agreement on the

negotiating framework for the final stages of the negotiations. However, in four groups the subjects proved to be contentious, with the most difficult being agriculture. Due to the considerable differences in negotiating objectives and positions between the European Community and the United States, common agreement on the negotiating framework was not achieved.

Therefore, the results of the Mid-Term Review for all 15 negotiating groups were suspended until complete agreement on agriculture and the other unresolved issues could be obtained. GATT negotiators were directed to meet in Geneva during the first week of April 1989, to resolve the outstanding issues. From January to the end of March, intensive consultations between the Director General of the GATT and the major trading countries worked towards a negotiating framework which all parties could support. By late March 1989, the prospects for an agreement at the April meeting looked promising.

Agricultural Trade Policy

In addition to pursuing its objectives for the agricultural sector in both the Canada-U.S. bilateral discussions and the Multilateral Trade Negotiations, Alberta continued to advance its interests in other ways. During the reporting period, the department was involved in six meetings of the Federal-Provincial Agriculture Trade Policy Committee. This committee, established by the federal-provincial Ministers of Agriculture in 1984, provides an opportunity for officials to address specific agriculture trade problems. The committee also serves as a forum for interprovincial dialogue and provincial contributions to the federal government on trade policy issues, including agricultural provisions of the Canada-U.S. Free Trade Agreement and the Multilateral Trade Negotiations.

The committee also helped coordinate and facilitate meetings in Quebec City in May 1988, and Atlantic City, New Jersey, in October 1988, of the States-Provinces Agricultural Accords. The Accords, established in 1986, are comprised of Canada's provincial agriculture ministers and the Board of Directors of the U.S. National Association of State Departments of Agriculture (NASDA).

The Accord facilitates crossborder dialogue and information exchange on agricultural trade issues in order to defuse existing and potential trade irritants. This dialogue included discussion on the implementation of the Canada-U.S. Free Trade Agreement, state and provincial perspectives on the Uruguay Round of GATT negotiations, and means to facilitate smooth trade relations for products as diverse as grains and oilseeds, meats and livestock, potatoes, mushrooms, bees and honey.

International Energy Developments

Alberta continued close contacts and involvement with the International Energy Agency, and closely monitored developments with the Organization of Petroleum Exporting Countries (OPEC) and among non-OPEC energy producing regions. As part of Alberta's monitoring activities the Premier and the Minister of Energy met with the Minister of Petroleum Resources of Nigeria, the president of OPEC. Officials from the Department of Energy and the Alberta Petroleum Marketing Agency continued to monitor meetings of OPEC and attended three meetings of the technical advisers of the Independent Petroleum Exporting Countries (Oman, Egypt, Malaysia, Mexico, Angola, and China). Alberta attended as an observer, as did the states of Texas and Alaska, and representatives from Norway, the U.S.S.R., the Yemen Arab Republic and Colombia. At all these meetings which occurred in Vienna and London, Alberta officials were in close

contact with the Canadian Ambassador or High Commissioner to keep them fully informed of discussions. Alberta officials also provided briefings and reports to the federal Departments of External Affairs and Energy Mines and Resources.

Provincial involvement in International Energy Agency (IEA) research activity was renewed with the signing of federal-provincial agreements providing for Alberta participation in two IEA implementing agreements on research involving coal. One agreement was through the Alberta Office of Coal Research and Technology and the other through the Alberta Research Council. An Alberta official continued to act as the second Canadian representative to the IEA Working Group on Fossil Fuels.

Provincial Involvement in International Meetings

Alberta continued to seek provincial participation in Canadian delegations at a variety of additional international consultations, especially where those discussions involved issues of direct importance to the province. These included meetings associated with the Canada-Japan Joint Economic Committee, various Canada-U.S. mechanisms and several bilateral economic cooperation agreements such as with the European Community and Saudi Arabia.

A major disagreement between Canada and Europe, involving provincial liquor board practices, was finally resolved as Canada and the European Community signed an agreement in late 1988. Provincial governments were directly involved in the development of this agreement through meetings in Ottawa and Brussels. For Alberta, this meant some minor changes in administrative practices by the Alberta Liquor Control Board respecting treatment of European products.

Alberta Management of Trade Negotiations

The Alberta Ministerial International Trade Negotiations Task Force, chaired by the Minister of Federal and Intergovernmental Affairs, continued to provide ongoing direction for trade negotiations. The Task Force members, which include the Minister of Economic Development and Trade, the Minister of Agriculture and the Provincial Treasurer, established Alberta's priorities and objectives and ensured that they were pursued with federal counterparts. The Minister of Federal and Intergovernmental Affairs represented the province at western provincial and federal-provincial meetings, which focused on trade negotiations issues. He was the federal government's initial contact for issues emanating from the implementation, management and further negotiations of the Canada-U.S. Free Trade Agreement.

The Office of the Alberta Trade Representative, originally established to facilitate provincial input to the federal government during negotiations, was closed with the implementation of the Free Trade Agreement. The Department of Federal and Intergovernmental Affairs continued to coordinate provincial activities with respect to the Canada-U.S. Free Trade Agreement negotiations and the Multilateral Trade Negotiations, as well as issues arising from those negotiations. A Deputy Ministers' Committee on Trade Negotiations, chaired by the Deputy Minister of Federal and Intergovernmental Affairs, supported the work of the Ministerial Task Force.

Canadian Studies

Throughout 1988-89, the Government of Alberta continued to actively support Canadian Studies programs at foreign institutions. The support varied in form from financial contributions and book donations, to the provision of speakers at Canadian Studies conferences and a regular information flow of Alberta government publications. Alberta's commitment and interest in the development of Canadian Studies abroad serves to enhance foreign awarness and understanding of Alberta and more generally, the Western Canadian perspective of Canadian affairs. The following grants were made during 1988/89.

A	**United States**	
	Association for Canadian Studies in the United States	$11,000.00
	Canadian Consulate, San Francisco for the Western Social Sciences Association Annual Meeting	$ 460.00
	Canadian Institute of International Affairs (Essay Contest)	$ 497.52
	49th Parallel Institute for American/Canadian Studies	$ 3,000.00
	Pacific Northwest Canadian Studies Consortium	$ 2,500.00
Sub-Total		$17,457.52
B	**United Kingdom**	
	Foundation for Canadian Studies in the U.K.	$13,300.00
C	**U.S.S.R.**	
	University of Alberta/Lviv University Exchange	$ 3,500.00
D	**Korea**	
	Yonsei University	$15,000.00
E	**Thailand**	
	Chulalongkorn University	$ 5,000.00
Total		$54,257.52

International Cooperation in Science and Technology

In 1988, Alberta continued its strong role of working with other government and private agencies throughout the world to promote relevant research activities and technology transfer and commercialization. Specific areas of Alberta interest and expertise include natural resource development, northern regions (cold weather) technology and biotechnology.

Initial steps were taken by a number of government departments to develop a science and technology cooperation agreement with the Region of Flanders, Belgium, expected to be finalized in the following year. A more general accord, being developed between Alberta and the Russian Republic of the U.S.S.R., was anticipated to include a particular focus on scientific exchange.

The Alberta Oil Sands Technology and Research Authority (AOSTRA) and the Alberta Research Council (ARC) continued to create scientific alliances through specific agreements with similar agencies in other countries. AOSTRA, for example, finalized such an agreement with a Yugoslav agency, and ARC signed a co-testing accord with a laboratory in Denmark.

Federal and Intergovernmental Affairs also continued its coordinating role in terms of Alberta input to ongoing bilateral science and technology agreements between Canada and a number of other countries and international organizations such as the Federal Republic of Germany, China and the European Community. A number of specific research projects were ongoing in Alberta post-secondary institutions and Alberta government agencies, such as the Office of Coal Research and Technology in Alberta Energy.

International Assistance

The Alberta International Development (AID) Program continued Alberta's commitment to assist in social, economic and infrastructure development in a number of the less developed countries in the world. Monetary assistance totaled $3,062,384 in 1988, funding 215 projects in 58 countries. As well, a $250,000 special warrant was approved for 15 disaster relief and reconstruction projects in Jamaica, Bangladesh, Nicaragua and Armenia.

The Alberta government, under the program, works closely with non-governmental aid and development organizations, supplementing funding provided by those organizations. In 1988, most of the program funding was directed to projects in the areas of health care, vocational and literacy training, water provision, refugee assistance and community economic development, especially in Africa, Asia, and Latin America.

Table 10
Alberta's Contributions to Top Ten Countries, 1988
($'000)

India	440,960
Bangladesh	295,431
Nicaragua	269,822
Jamaica	164,559
Philippines	135,968
Kenya	123,766
Ethiopia	123,352
Lebanon	110,443
Mexico	105,310
Bolivia	98,406
Other	1,467,867

Alberta's International Offices

London Office

The Alberta office in London has represented Alberta's interests in Great Britain and Europe since 1948. With major international trends, such as the European Community's Single Market initiative, the region has assumed a new importance to Alberta. The London office has monitored developments related to the European Community's 1992 Single Market initiative and has provided information on the process to Alberta government departments and businesses.

The Agent General is assisted by senior staff representatives of the departments of Economic Development and Trade, and Tourism. They work closely with the Canadian High Commission in London, embassies in Europe and with European governmental and business representatives to promote trade and investment.

In the past year, the office has focused on the possibilities within the United Kingdom and Europe for Alberta's forestry and agricultural products. The Agent General held a series of meetings with appropriate government and business representatives, and attended trade shows and conferences to provide market intelligence and assess opportunities.

Alberta House was active in assisting many companies wishing to expand business in the United Kingdom and Europe. It also encouraged the location of businesses to Alberta and the channeling of investment funds from Europe to suitable Alberta opportunities. The developing defence/ aerospace industry in Alberta was extensively promoted by Alberta House, working with city officials from Alberta, in terms of both pursuing individual contracts and increasing investment interest.

Interest in the province as a tourist destination in 1988-89 continued following the highly successful Calgary Winter Olympics. Alberta House representatives were involved throughout the year in a wide range of seminars, presentations, and international travel shows in the United Kingdom and on the Continent.

Cultural support by Alberta House included art exhibitions, poetry readings and other performances. Assistance was provided to the Alberta arts community for increasing its visibility in the U.K. and Europe.

Alberta House continued to play an active role in the Foundation for Canadian Studies in the United Kingdom, with the Agent General being reappointed to the Foundation Board for a further two-year term. The Canadian Studies program encourages academic research and travel to increase knowledge in Britain of Alberta and Canada.

Tokyo Office

The Tokyo office was established in 1970, and represents Alberta's interest in Japan and Korea. Trade, investment, tourism promotion and the numerous exchanges between Alberta and its sister provinces of Hokkaido and Kangwon were the main areas of activity during the year.

The office, which is headed by an Agent General, organized programs for many Alberta private sector missions and visitors to Japan. Tourism promotion was a key area of activity, with a large private sector mission in Tokyo in December to attend a major tourism conference. As well, familiarization tours to Alberta for tourism media and for tour agents were coordinated. The Alberta Petroleum Marketing Commission sent a mission to explore opportunities for sales of oil. Several other energy-related visits were also assisted, including several visits from the Alberta Research Council. Numerous product demonstrations and seminars were held to promote Alberta beef, including special cooking classes. Alberta food products were well-represented at the FOODEX exhibition in March. In the area of education, the office assisted the University of Calgary to recruit students for its first Japan Executive

Development Program held in August. A new program to recruit Japanese students on a commercially paying basis for a high school in Jasper developed rapidly with the assistance of the office in Tokyo. The exchange program between the Department of Agriculture and the Japanese company, Seiyu Ltd., continued to be active, and the office worked closely with the Alberta exchangee in developing this tie.

Seoul Office

An Alberta Office was established in Seoul, Korea during 1988, headed by a Senior Director. Major efforts were made to promote expanded trade in Alberta's agricultural and energy projects.

The Seoul office assisted in several Alberta agricultural visits to Korea, and the first demonstration of Alberta beef was held in Seoul in November at the Chosun Hotel.

Hong Kong Office

The Hong Kong office, headed by an Agent General, was established in 1980, representing Alberta's commercial, educational, cultural and other interests in Hong Kong, the People's Republic of China, the ASEAN Nations, Australia and New Zealand. Highlights of this office's activities within the region are as follows:

The People's Republic of China

During 1988, representatives from the Hong Kong Office attended a trade exhibition in Fijian province to explore the possibilities for Alberta companies in the petroleum technology fields. They also attended a major oil show in Tianjin with various Albertan companies participating. As well, two trips were made into Guangdong province to explore oil and gas opportunities and the possible establishment of a Chinese textile manufacturing facility in Alberta. In addition, Alberta and British Columbia organized a food promotion seminar, featuring Alberta beef and British Columbia fish at the China Hotel in Guangzhou.

Hong Kong

In Hong Kong, the office arranged appointments for a large number of Alberta businesses, organizations, and educational institutions. Other activities included the participation in a number of food and beverage promotions and the reception of trade mission delegates from China. The Office was also active in attracting business immigrants to Alberta. In the fiscal year 1988-89, approximately 137 applications were received by prospective business immigrants from Hong Kong. These applications represented approximately $16 million in business investment for Alberta.

Southeast Asia

Hong Kong office staff identified opportunities throughout Southeast Asia for Alberta businesses, particularly in the oil and gas telecommunications, agriculture and biotechnology sectors.

Two areas of success were the introduction of Alberta beef into Bangkok and participation in a food and beverage Canada promotion in Kuala Lumpur, Malaysia, in March 1989.

Los Angeles Office

The Los Angeles office continued to be very active as a result of a number of high profile events during the year. The successful Calgary Olympic Games and the Canada-U.S. Free Trade Agreement provided an awareness of Alberta higher than at any other time.

The requests for information on Alberta as a tourism destination continued at a high level. The tourism officials based in the Los Angeles office continued to promote Alberta through shopping mall displays. A very effective program implemented during the year was the Alberta Seniors Host Program, whereby Alberta seniors spending the winter months in California became "ambassadors" for the

province within the highly mobile seniors groups.

The Department of Economic Development and Trade continued to assist a growing number of small Alberta companies entering the California market for the first time. The office participated in several trade shows in electronics, aerospace, agriculture and furniture exhibits. A number of investment inquiries, as a result of the FTA, were also pursued. The significance of natural gas exports to California continued to increase as more emphasis was placed on clean burning fuels. The film industry continued to inquire about Alberta as a film production destination, interest which increased as a result of the awareness created by the 1988 Olympics.

New York Office

The New York Office expanded in terms of functions in 1988-89. The controversial passage of the Free Trade Agreement (FTA) enabling legislation in Canada and the United States was the focus of the newly-established trade policy monitoring function. In addition, the year saw the first full-time tourism representative, Meetings Alberta, as part of the office.

The New York office assisted Federal and Intergovernmental Affairs staff in the monitoring of the United States' position on the Agreement as it evolved. Attempts to modify, amend, or block the Agreement as it moved to passage were monitored and reported for an appropriate Alberta response. Briefing notes on United States positions were provided to the government, as well as to non-government entities.

Simultaneously, the economic functions of the office continued, assisting United States and Alberta corporations with information and referrals. Investment promotion and economic development initiatives continued, with the establishment of new contacts and maintenance of existing relationships. Networking opportunities and infrastructure support were provided to visiting Alberta companies.

Alberta's relationship with the New York financial community, with its funding sources, global analysts, sector-specific experts and business connections, were preserved and enhanced by the New York Office through the efforts of its staff and visiting Alberta government ministers and officials.

The office also expanded its service to Americans travelling to Alberta for various purposes. The province hosted site visits by corporate travel planners, fact-finding and speaking tours by American political leaders, and introductory visits for investment counsellors and investors, all encouraged and assisted in their travel by the New York office.

Houston Office

This year marked the final complete year of the Houston office operations as the office was closed in June 1989. As in several preceding years, the U.S. oil and gas industry was operating at reduced production levels, limiting opportunities for Alberta companies hoping to sell into that market. There was, however, some activity in Latin America and the Houston office was able to facilitate sales into that region.

In the U.S. south west, the most promising sectors for Alberta business were in electronics and training. Electronic measurement equipment and environmental measurement products were exported to the market. There was also demand for Alberta technology used for enhanced oil recovery. With safety and environmental concerns growing in importance, Alberta training firms were successful in offering product and knowledge.

The United States

Free Trade Agreement

The most important development within the U.S. sector for 1988-89 was the passage and implementation of the free trade agreement with Canada.

The implementing legislation for the agreement was signed into law by President Reagan on September 28, 1988 after being passed by overwhelming majorities in the House and Senate. The ease of passage belied the vigorous debate that preceded the vote. Members of Congress were critical of the cultural exemption given to Canada, a proposed Canadian textile remission program and the loss of revenue that would result from reduced tariffs. They expressed concern over the constitutionality of the binational dispute resolution panels, the impacts of the agreement on the U.S. auto industry and whether the agreement would be binding on the provinces. Members from western states were vocal in their opposition to the agreement for not resolving a dispute over plywood and not addressing their concerns over alleged Canadian subsidies.

While most observers were optimistic that the agreement would eventually be passed by Congress, it was impossible to predict what the margin might be. Alberta monitored the political situation in Washington very closely to gauge the strength of the concerns.

Omnibus Trade Bill

Another development in Washington of particular concern to Alberta in 1988-89 was passage of the omnibus trade bill. Congress had been working on a large trade package for three years, but had encountered great difficulty agreeing on the contents. The rising U.S. trade deficit and concerns over U.S. competitiveness fueled demands in Washington for protectionist legislation, and a number of trade restricting measures were proposed.

In August 1988 a trade bill was finally signed into law by the President after an extended and acrimonious battle with Congress over several provisions. The provisions that remained tightened up U.S. trade law, increasing the likelihood of trade actions against trading partners, including Canada, but were not serious enough to disrupt the trading relationship. Alberta's major concerns with the legislation centred on measures to strengthen trade remedy provisions (such as countervailing duty and anti-dumping laws) and to increase subsidies to agricultural exports.

Other Trade Irritants

While the free trade agreement and omnibus trade bill dominated the bilateral trade agenda, other trade irritants were also important in 1988-89.

From Alberta's perspective, the most important of these unresolved issues were the subsidies question and the plywood problem. Negotiators were unable to reach agreement on the definition of a subsidy and the question was deferred until each country could appoint a team to negotiate the issue further over the next five to seven years.

Another outstanding issue arising from the free trade agreement involved plywood. Under the terms of the agreement, Canada was to review its standards to determine whether or not restrictions on some grades of U.S. plywood should be retained. The U.S. was dissatisfied with the results of the review since the restrictions were retained, and in retaliation threatened not to reduce the tariffs on plywood and related products as scheduled under the Free Trade Agreement. In response, Canada announced that it would not reduce its plywood tariffs either. While Alberta does not export a great deal of plywood to the U.S., the U.S. action also affects tariffs on related products such as oriented strandboard, a

growing industry in Alberta which could be competitive in the U.S. if the tariffs were removed.

Other trade issues of interest to the province in 1988-89 included the ongoing Superfund dispute. In 1987 a GATT panel ruled that a U.S. tax on oil used to fund toxic waste clean-up violates U.S. obligations under the GATT. It also contravenes the Free Trade Agreement. While the Administration pledged to correct the situation, Congress was unwilling to pass the necessary legislation. Alberta took a strong interest in the issue because it reduced the netbacks to oil exporters in the province. Provincial representatives pressed for the elimination of the measure or compensation that would benefit oil exporters.

Ministerial Contacts

Throughout the year Mr. Horsman travelled to the U.S. several times to meet U.S. legislators and officials and promote the Free Trade Agreement. In June, 1988, for example, he met in Washington with Congressmen Sam Gibbons (D.Fla.) and John LaFalce (D.N.Y.), both of whom were key proponents of the agreement. He also addressed the National Press Club in Washington on that trip, describing to an audience of mostly American reporters the benefits of the agreement to both the U.S. and Canada, with particular reference to energy security. Mr. Horsman also discussed the extent of provincial involvement in the negotiations and answered concerns about provincial compliance.

Contacts at the state level were also pursued throughout the year. Two meetings of the Canada/U.S. Legislative Project were held. The group met in St. John's, Newfoundland in June, 1988 and San Antonio, Texas in February, 1989. The free trade agreement was discussed at both meetings, with legislators at the Texas meeting expressing particular interest in the subsidies negotiations planned as follow-up to the Free Trade Agreement. In addition, Mr. Horsman attended the fall board meeting of the State Legislative Leaders Foundation in Newport, Rhode Island in September, 1988, as the Canadian representative on the board.

Asia-Pacific Region

Having surpassed Europe as the second most important trading region for Alberta a number of years ago, the Asia-Pacific region continued as a substantial and growing market. The region contains almost half of the world's population, and countries in the area have maintained economic growth rates of four to seven per cent for over a decade now. Five of the top ten destinations for Alberta products lie in the Asia-Pacific region. Individually, Japan, China, and South Korea ranked second, third, and fourth respectively as countries of destination for Alberta products in 1988.

The major focus of activities in Asia has been on Alberta's three largest Asian trade partners: Japan, China, and Korea. There also has been a growing interest in further developing other Asian markets in South and Southeast Asia, especially in Thailand, Malaysia, Indonesia, and India.The value of 1988 exports to the Asia-Pacific region was estimated at $2.47 billion, an increase of 30 per cent from the previous year. (Note: These statistics do not include "invisibles" such as services (consulting, contracts, tourism, etc.) which constitute a sizeable element of the commercial relationship between Alberta and the Asia-Pacific.) The Asia-Pacific region accounted for approximately 19 per cent of Alberta's total exports in 1988, and more than half of all non-U.S. exports.

In recognition of the potential of the Asia-Pacific region, Alberta continued its efforts to expand overall relations with countries of the region. This is facilitated by the Alberta presence maintained through offices in Japan, Korea, and Hong Kong; by an increasingly active Canadian Studies program at universities in the region; by frequent trade, investment and other missions from Alberta to Asia; by trade shows, promotions and exhibitions; and by the large number of visits from Asia encouraged, and received, by Alberta.

Several major ministerial visits to the region took place in 1988, including a four-country mission by the Minister of Federal and Intergovernmental Affairs to encourage trade and investment and to review the Alberta government's presence in these areas.

In an effort to promote Western Canadian Studies in Asia, Alberta contributed $10,000 to Chulalongkorn University of Thailand and $15,000 to Yonsei University in Korea during 1988. The grants were presented to the universities by the Minister during his visit in January, 1989.

In addition, the Department of Federal and Intergovernmental Affairs established a number of information resource centers within Asia. These centers are depositories for numerous Alberta government publications, directories and general information on the province. The centers promote awareness of Alberta and provide up-to-date information on the province.

Korea

The Republic of Korea continues to be a growing export market for Alberta. The value of Alberta's 1988 exports to Korea was $298 million, representing a 34-per-cent increase over the previous three-year average. Principal exports were petrochemicals, coal and sulphur. In recognition of Korea's importance to Alberta, the Department of Federal and Intergovernmental Affairs worked closely with other departments in establishing Alberta's first trade office in Seoul in 1988. The office was officially opened in January of 1989.

In addition to Alberta's trade links with Korea, the province was active in creating a higher profile for Alberta and Canada in Korean academic institutions. This year's $15,000 grant to the Canadian studies program at Yonsei University marked the

fourth year Alberta has financially supported the program. The second annual Korea-Canada Conference at Yonsei University in November 1988 was a result of cooperation between the University of Alberta and Yonsei University, and provided an opportunity for scholars, public officials and experts of the two countries to discuss a wide range of topics centering on the relationship between Korea and Canada. The first conference was held in Edmonton in 1987, and the third is planned for August 1989 in Edmonton. Work was also initiated on preparing a textbook of readings in Western Canadian studies to be translated into Korean and used in appropriate courses at Yonsei.

Japan

In 1988 Japan imported goods from Alberta worth a total of $944.9 million. This represented a 26.5-per-cent increase over 1987. Principal exports in 1988 were coal, canola, petrochemicals, wheat and barley.

During 1988, a number of major seminars and demonstrations were held in Japan to promote Alberta products, including an Alberta forestry products seminar and an Alberta beef promotional demonstration.

In addition to trade activities, 1988 also marked an important breakthrough for Alberta with respect to Japanese investment. During 1988, approximately $2.5 billion in investment capital for Alberta was announced by Japanese interests. This investment includes several pulp and paper manufacturing projects, a pharmaceutical company, and an oil and gas research project.

The Department of Federal and Intergovernmental Affairs also worked closely with other departments in negotiating the first direct flight between Tokyo and Alberta. Weekly scheduled flights between Japan and Alberta were to begin June, 1989.

China

During 1988, China purchased $642 million of Alberta products. This represented an increase of 112 per cent over 1987. Primary exports included wheat and petrochemicals.

In addition to trade activities, the Department of Economic Development and Trade continued preparations during 1988 for the opening of the Alberta Petroleum Training Center in Beijing, which is expected to open in late 1989.

The Ex-Terra Foundation Canada-China Dinosaur project, a palaeontological project supported by the two national governments and the Province of Alberta, undertook a major expedition in the Gobi Desert during the 1988 fiscal year. The Minister of Culture visited the site in November 1988.

Alberta's Sister Province Relationships

Beginning in 1974 with Kangwon province in South Korea, Alberta has become involved in three well-established sister province relationships (twinnings), including Hokkaido, Japan (1980) and Heilongjiang, China (1981). These formal affiliations are based on the numerous similarities among the provinces especially in climate (all within the northern, cold regions of their respective countries), and resources. They have provided valuable opportunities for raising Alberta's profile in the increasingly important Asia-Pacific Region, second only to the United States as an export market for Alberta. In 1988-89, individual exchange programs arising from these relationships resulted in over 150 missions and activities in over two dozen specific areas of interest. These included commercial activity, forestry, technology, science, agriculture and medicine, as well as education, sports, culture, education, and exchange between twinned municipalities. New areas of exchange developed this year include tourism development, auditing in Asia and consumer affairs.

Formal biennial consultations between Alberta and each of its sister provinces were held in 1988-89 to review progress in exchange areas, and to plan future initiatives in these and new areas of cooperation. As well, the second Trilateral Consultations between Alberta and the provinces of Hokkaido and Heilongjiang occurred in 1988-89, to develop three-way cooperation in agriculture, sports, medicine, and science and technology. In a related event, Alberta joined Heilongjiang and Hokkaido in co-sponsoring the first International Symposium on Cold Regions Development held in Harbin, Heilongjiang in August 1988. Three hundred delegates from 14 cold-region nations worldwide participated in discussions and analysis of challenges presented by the cold in areas such as agriculture, construction, transportation and biotechnology. The second symposium will be held in Edmonton in 1991.

In the area of municipal interaction, six Alberta municipalities continued their involvement in a variety of exchange programs with their twin municipalities in the sister provinces. In 1988-89 two new affiliations were added. These affiliations now include:

Edmonton and Harbin, Heilongjiang
Calgary and Daqing, Heilongjiang
Stony Plain and Shika-Oi, Hokkaido
Lacombe and Rikubetsu, Hokkaido
Rocky Mountain House and Kamikawa, Hokkaido
Camrose and Kamifurano, Hokkaido
Stettler and Okoppe, Hokkaido (1988)
Canmore and Higashikawa, Hokkaido (1988)

Municipal interaction included exchanges ranging from homestay visits by citizens of each municipality to sports team exchanges, to commercial activity such as the establishment of a Harbin trading company office in Edmonton, and Calgary's participation in a major waste-water treatment project in Daqing.

Heilongjiang

1988-89 produced a number of commercial successes for Alberta companies dealing with Heilongjiang, as well as new prospects from commercial activity in other areas.

Heilongjiang posted three business representatives in Alberta for the first time. The Harbin International Corporation for Technical and Economic Cooperation purchased a controlling interest in an Alberta trading company, and posted two permanent representatives to its Edmonton office. The Daqing Foreign Affairs Office Deputy Director spent four months at the Calgary Economic Development Authority to promote business links between Canadian oil and gas firms and the oil-rich Daqing area.

As well, an officer of the Ministry of Foreign Economic Relations and Trade arrived in Alberta for a year of intensive training in joint-venturing, contracts and financial management, to be used upon his return to China to screen and approve foreign contract proposals in Heilongjiang.

Alberta's solid reputation in oilfield equipment, services and technology, established in its years of trade with the Daqing oilfields, continued to open doors in the rest of the Chinese oil and gas market in 1988-89. Sales were made in areas such as slant-hole drilling and high-wax crude refining technology. In agriculture as well, Alberta continued its cooperation with Heilongjiang: in training state farm managers, developing pasture and rangeland, and, for the first time discussing beef cattle genetics. All of these areas use Alberta technology to upgrade Heilongjiang forage and livestock management practices.

The active science and technology exchange program continued in 1988-89. Nine Heilongjiang and 10 Alberta researchers and scientists conducted long-term joint research in areas such as ice-nucleating bacteria, forestry, land resource imaging and geographic information systems, and enzyme production. Focusing on following-up the successful International Symposium on Cold Regions Development, emphasis was placed on joint research in cold weather-related problems in agriculture, construction, transportation and others.

With a successful medical exchange program since 1986, Alberta and Heilongjiang began in 1988-89 to concentrate on specific areas of medicine for joint research and development. Cardiology and cardiac surgery was the first such area, with numerous Heilongjiang professors of cardiology studying advanced surgical and diagnostic techniques in Edmonton and Calgary, and the installation of a cardiac ultrasound imaging unit from Alberta at the Harbin Medical University.

New areas of cooperation included tourism development, in which Heilongjiang seeks Alberta expertise in developing a domestic tourism infrastructure and ski resort facilities. As well, Heilongjiang began to look at Alberta's procedures for regulating consumer and corporate affairs.

Other successful exchanges occurred in sports, advanced education and culture. A cultural exchange agreement was signed with Heilongjiang, and work commenced in archaeology, focusing primarily on the theory that ancient northern Chinese minorities crossed the Bering Strait to become the native northern peoples of Canada.

Hokkaido

Alberta's relations with Hokkaido continued to focus in 1988-89 on commercial relations between the provinces. The Hokkaido-Alberta Commercial Exchange Committee met for the third time since its inception in 1986. Thirteen Alberta representatives toured Hokkaido, making key business contacts in areas such as forest products and housing, biotechnology, computing technology, beef genetics and food processing. Sales of Alberta beef and food products to Hokkaido continued in 1988-89.

In the area of medical exchange, physicians and researchers from both provinces conducted joint research in areas such as skin cancer, clinical neurosciences, opthalmology, biochemistry and orthopedic surgery.

In advanced education, an active language students exchange continued in 1988, with 15 weeks in intensive training at Hokkaido University, and 15 students of English from Hokkaigakuen University attending the University of Lethbridge for a five-week summer program. As well, Hokkaido and Alberta recipients of scholarships continued their studies.

Additional municipal exchanges occurred with Canmore and Stettler acquiring new

sister municipalities in Hokkaido (Higashikawa and Okoppe). As well, cultural and sports exchanges occurred. At the end of this reporting period, new areas of exchange were introduced, including a focus on "the Family", science and technology exchanges focusing on coal technology, and wheat amelioration, and planning began for the celebration of 10 years of affiliation between Alberta and Hokkaido in 1990.

Kangwon

Alberta's relations with Kangwon during 1988-89 focused on three major areas of exchange: medicine; advanced education; and sports. In medical exchanges, Alberta and Kangwon agreed to focus on the development of cardiology and cardiac surgery as an area of joint research. Other exchanges in microbiology and sports medicine also took place.

In advanced education, 16 Kangwon teachers of English-as-a-Second-Language spent four weeks in a training program at the University of Alberta – the fourth such group since the program's inception in 1984. As well, two Kangwon recipients of Alberta scholarships continued their graduate and postgraduate studies in Alberta.

Europe

In 1988-89, international attention began to focus increasingly on the European Community's Single Market 1992 initiative and on the potential commercial opportunities and challenges being presented as the 1992 process evolves. With a potential integrated market of over 320 million people, the initiative may serve to simplify the process for Alberta companies wishing to do business in Europe. On the other hand, non-tariff external barriers could be raised by the Community members as they move to harmonize national practices. This might restrict future access to that market for Alberta products.

During the year, the department worked with Alberta House in London and with Canada External Affairs, to gather and distribute informational material on 1992 to Alberta departments and businesses. It also coordinated the Alberta response on the terms of reference for an External Affairs study on the effects of the 1992 initiative to ensure that the study adequately covered the Alberta perspective.

Alberta continued to express its concerns with the worldwide impact on trade of other European Community trade policies, not directly related to 1992, most notably the trade-distorting Common Agricultural Policy. The province took advantage of many visits by European ministers to register concern with the effect of their policy on Alberta's traditional export markets for agricultural products in Europe and in third countries.

Alberta's 1988 trade statistics with West European countries generally improved from the previous year, although not approaching the levels of the early 1980s. Nevertheless, Western Europe remains a major area of present and future interest for Alberta business (for both trade and investment).

Three countries (Netherlands, France and United Kingdom) ranked in the top 20 of Alberta's export markets in 1988. The key export products for Alberta include sulphur, wheat, horsemeat, nickel and petrochemicals.

The impact of proposed British and European Community legislation on the fur trapping industry in Alberta was also a major concern during the year. The Alberta government supported the activities of Canadian representatives in Europe to counteract the moves to ban the import of Canadian fur products caught using leg-hold traps.

Visits of distinguished European visitors to Alberta increased following the 1988 Olympics.

Union of Soviet Socialist Republics (U.S.S.R.)

The year saw an acceleration of the far-reaching political, social and economic changes within the U.S.S.R. and Eastern Europe. The changes affected conditions within the U.S.S.R. and its constituent republics, as well as the internal relations within the entire East Bloc group of countries and external relations with the rest of the world.

The processes of economic restructuring and of political reform are of direct importance to Alberta's commercial and cultural/educational relations in the region. Consequently, the Alberta government devoted increasing resources to monitoring events in the Soviet Union and Eastern Europe and undertaking activities in the area.

In 1988, the U.S.S.R. ranked fifth as an Alberta export market, with exports totaling over $266 million. Alberta participated as part of the Canadian delegation in the annual Canada-U.S.S.R. Mixed Economic Commission meetings held in Moscow in September 1988, where sectoral trade and investment opportunities were reviewed, along with issues such as the Canada-U.S.S.R. trade imbalance, and the problem of the non-convertible Soviet currency.

The province also played an active role in the consultations of the Canada-U.S.S.R. Mixed Commission on Academic, Scientific and Cultural Exchanges held in Moscow in November 1988, opening new channels for increased interchange for Albertans in each of these areas.

Many Alberta companies continued to do business in the U.S.S.R., particularly in the fields of oil and gas and resource development. Both Alberta Agriculture and Alberta Economic Development and Trade conducted

a number of trade missions to the U.S.S.R. and neighboring countries.

The Honourable Peter Elzinga, Minister of Agriculture, visited the Russian Soviet Federated Socialist Republic in September 1988, at which time Alberta renewed an agricultural agreement with Gosagroprom. As well, an Arctic seminar sponsored by Economic Development, featuring Alberta experts in the field of cold weather technology, was held in Moscow in November. A number of senior level Soviet visitors were received in Alberta.

To supplement these commercial ties, the Alberta government decided in 1988 to negotiate a general Memorandum of Understanding (MOU) between the Province and the Russian Republic, the largest of the fifteen republics in the U.S.S.R. The agreement would promote increased activities between the Republic and Alberta in areas such as scientific cooperation, commerce, education and cultural relations.

The department also undertook to consider strengthening existing cultural and ethnic ties and the development of further commercial ties with the Ukrainian Republic.

Latin America

Alberta exports to the Latin American and Caribbean nations amounted to $316 million in 1988-89. This represented a slight decrease in exports over the previous three years. Major markets in the region were Brazil, Mexico, Cuba, Venezuela and Columbia and the top exports included wheat, sulphur, canola and coal.

The region comprised 2.8 per cent of Alberta's global exports, with Brazil and Mexico ranking 10th and 11th as Alberta export markets. The growing economies of these and other economies of the region provided important potential opportunities for Alberta, particularly in the energy and agricultural sectors.

Given these elements, Alberta made special efforts to increase its visibility and expand links in the region. Alberta universities and some community colleges have established cooperative programs with institutions in Mexico, Brazil, Chile, Colombia, Bolivia, Argentina and Jamaica.

The University of Alberta and Mexico's Centre for Educational Research initiated work on a tripartite project with Tanzania, involving policy-making in adult education in Alberta, Mexico and Tanzania. During the fiscal year, the University of Alberta completed a cooperative project with a Brazilian University involving the development of job skills among women in low income areas of Brazil. This department worked closely with Alberta's educational institutions in facilitating some of these programs.

Under Alberta Agriculture's livestock cooperation agreement with the Mexican state of Jalisco, a bull-testing program was developed between the cattle breeders' associations in Alberta and Jalisco.

During the year, the province continued discussions with visiting representatives from the Argentine province of Neuquen, aimed at establishing cooperation in natural gas development and rangelands management.

The department liaised closely with the growing Latin American and Caribbean communities in the province to encourage their advice and involvement in relations with the region. Assistance was provided to the Jamaican community in establishing prompt communication links with their country and coordinating efforts with the Canadian Government during the devastating hurricane in that country.

Latin American and Caribbean countries were well represented at the InterCan Oil and Gas Exhibition Show in Calgary in May, 1988 and at the Alberta Summer Institute for Petroleum Industry Development (ASIPID) in June-July 1988.

Africa

The continent of Africa continued to experience severe economic, political and social problems. However, as the year ended, a number of important developments, including the agreement to end the civil war in Namibia and to set the South African colony on the road to self-rule, held out promise for a better future. Many of the national governments continued the difficult process of economic restructuring in the direction of greater freedom in their markets, as prescribed by international lending agencies such as the International Monetary Fund and the World Bank. Low commodity prices and varying degrees of commitment to the process on the part of various governments hampered progress, but, overall, the trend appeared to be positive.

Potential exists for trade in the areas of agriculture and oil and gas resource development (e.g. Angola) and Alberta exports to Africa ($402.8 million in 1988) may increase. Morocco (total Alberta exports of $225.1 million in 1988) and other African nations continued to be major markets for Alberta elemental sulphur, used primarily in the manufacture of fertilizer products.

The majority of Alberta's relations with African countries were in training and infrastructure development through the Province's Alberta International Development (AID) Agency in conjunction with Canadian governmental and other non-profit development agencies. The Province continued to monitor and evaluate opportunities in the fields of consulting, investment and trade through exploratory missions, and by receiving African delegations interested in Alberta products, services and expertise.

Middle East

Alberta's involvement and interests in the Middle East focused on developments affecting oil prices as well as on expanding commercial ties with the region. The ending of the Iran-Iraq war brought with it the prospect of enhanced trade opportunities for Albertans as both countries looked towards rebuilding. Opportunities were foreseen to expand upon existing economic ties, concentrating on trade of agricultural commodities, sulphur and oil and gas equipment and services, in keeping with the increasing development and sophistication of Middle East economies. Joint ventures, the provision of educational and training services, and entrepreneurial immigration from the Middle East were identified as ways to expand Alberta's ties with the region.

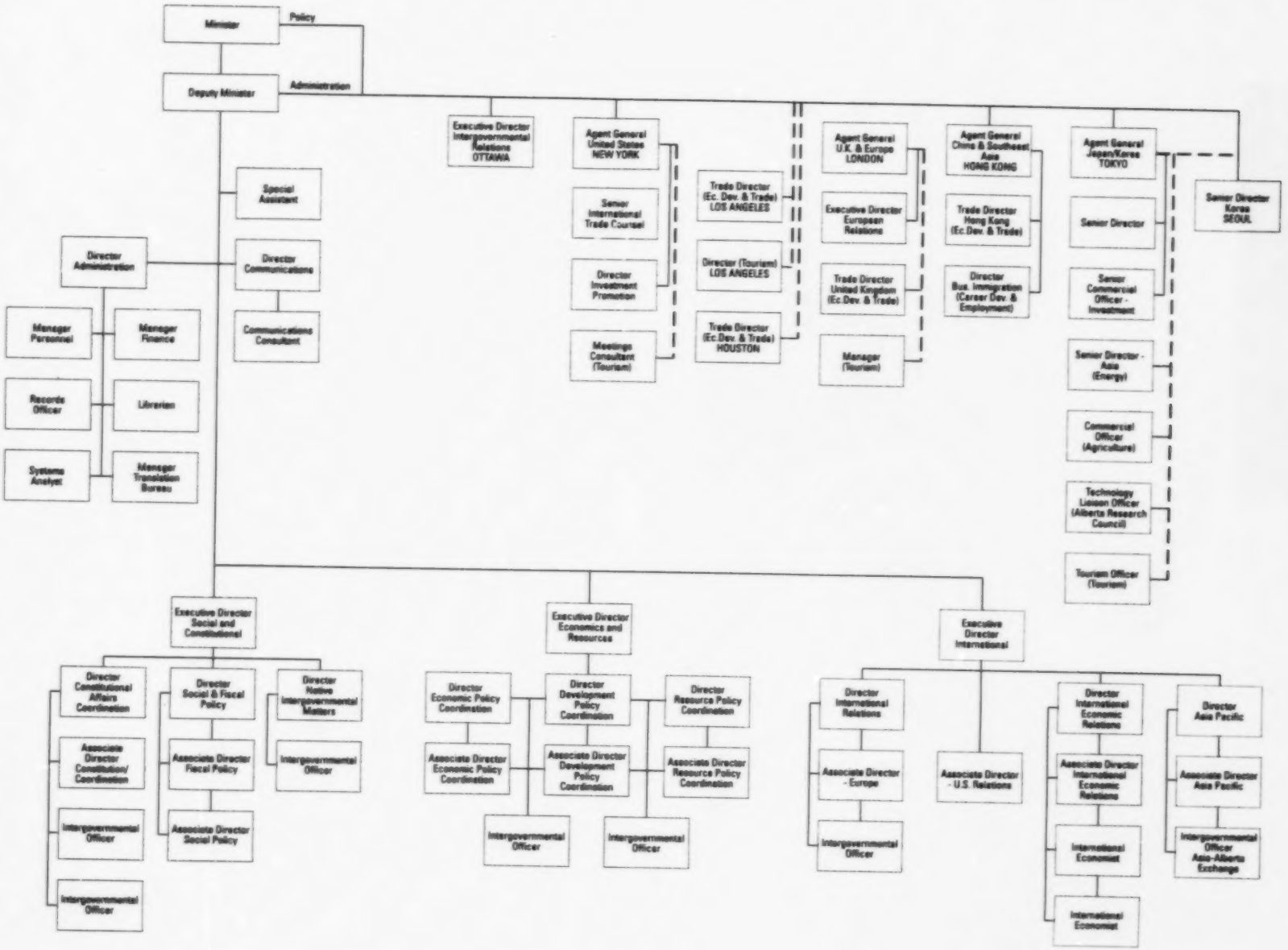
Alberta was represented at the Canada-Saudi Arabia Mixed Economic Commission meeting in Riyadh. Alberta companies were extensively involved in major oil exploratory projects in Jordan undertaken by Petro-Canada International Assistance Corporation.

Alberta's exports to the Middle East totalled $179 million in 1988. The predominant exports remained sulphur, wheat and barley.

Appendices

Appendix I Organizational Chart

Federal and Intergovernmental Affairs, March 1989



Appendix II

The Twenty-Ninth Annual Premiers' Conference

Saskatoon, Saskatchewan
August 18-19, 1988

Communique No. 1
Interest Rates and Competitiveness

Premiers stressed the importance of interest rates and exchange rates to Canada's global competitive position.

Premiers discussed monetary policy, noting the changes taking place in the world economy, and the continuing trend toward greater trade liberalization. Premiers recognized that Canadian governments must now work together to ensure our business and workers in all regions of the country and in all sectors of the economy, including the vital resource and agriculture sectors, are able to take full advantage of these changes.

In their discussions of the new opportunities presented by trade liberalization, Premiers noted the fundamental importance of enhancing Canada's competitive position in world markets and the need for monetary and other economic policies which achieve this objective.

Premiers noted that recently, Canadian interest rates have been at high levels relative to U.S. interest rates and inflation. These high rates will have a dampening effect on investment and job creation and will result in increased costs, notably to enterprises in the resource sector, small business operators, farmers and homeowners. They expressed the concern that current interest rates reflect excessive caution on the part of the Bank of Canada.

Canadian Premiers recognized that by taking advantage of trade and investment opportunities, growth in the Canadian economy can be sustained and jobs created. They noted that excessively high interest and exchange rates could only hamper such growth and job creation.

Premiers concluded their discussions on this issue by requesting that Premier Devine, as chair, convey the results of their discussions on this issue to the Prime Minister, Minister of Finance and the Governor of the Bank of Canada.

Communique No. 2
Drought Assistance — National Impact

The Provincial Premiers expressed concern about the severe pressures now being experienced on farms and in rural communities across the country as a result of the worst drought since the 1930s. This situation has resulted in reduced farm incomes and is impairing Canada's economic performance. The direct and indirect impacts of the drought are being felt and must be dealt with from coast to coast and are already strongly evident in the grain transportation industry and in rising prices for some food products.

The ravages of drought have compounded the pressures created by the international grain trade war and the Premiers emphasized that Canadian agriculture remains in crisis. They commended the Government of Canada for the substantial support it has provided to Canadian agricultural producers for 1986 and 1987, and agreed that sustained large scale federal support will remain essential to ensure the continued viability of one of the nation's most important economic sectors.

The Premiers agreed it is imperative that the federal and provincial governments continue to work cooperatively, through their Ministers of Agriculture, to design the most effective and timely assistance measures for the current year and to ensure normal seeding next spring. These measures should be announced as soon as possible and should be targeted to those in need in all parts of the country.

For the longer term, the Premiers noted that they were encouraged by the joint federal-provincial work which is now underway on new soil and water conservation initiatives across the country.

Premiers also discussed other agriculture issues noting in particular the need for broadening the scope of crop insurance programs, and for making grain stabilization available to all grain producers across the country.

Communique No. 3
Adjustment Measures

The federal government indicated during the Free Trade negotiating process its commitment to support adjustment measures.

In light of the Free Trade Agreement, Premiers again stressed the need for objective and timely adjustment programs to be announced by the Federal Government and by the Advisory Council on adjustment chaired by Mr. de Granpre.

Communique No. 4

Provincial Participation in International Trade Negotiations

Canada is a trading nation whose future economic prosperity depends critically upon maintaining and expanding international trade. Premiers noted the growing impact of international forces on provincial economies, and the necessity for federal and provincial governments to work effectively together on international trade policy and on international trade agreements.

Premiers recalled the Prime Minister's commitment in Halifax at the 1985 First Ministers' Conference to provide full provincial participation in both the Canada-United States and the GATT trade negotiations. Premiers emphasized that a full participative process is needed so that an effective system of federal-provincial cooperation can guide international trade negotiations.

Premiers stressed the importance of establishing a formal provincial role in the dispute settlement mechanism defined in the Free Trade Agreement, given the extent of its impact on provinces. Equally important must be a strong provincial role in the management of the proposed Free Trade Agreement, including the definition of subsidies and development of common trade remedy laws.

Turning to the ongoing Multilateral Trade Negotiations in Geneva, Premiers stressed the importance of these talks for provincial economies and, in particular, for the agricultural sector. Strong provincial participation in these negotiations is therefore required, reflecting the significant areas of provincial jurisdiction affected.

Premiers called upon the Federal Government to invite all the provinces to participate as observers with the Canadian delegation to the GATT Mid-Term Review meeting to be held in December 1988 in Montreal.

Premiers requested an early meeting of the federal and provincial ministers responsible to work out the details of provincial participation and requested that this be discussed at the First Ministers' Conference in Calgary this November with a view to securing a federal-provincial agreement on this vital issue.

Communique No. 5
Science and Technology/Education Partnerships

Premiers endorsed a continued strong commitment to economic diversification through the utilization of science and technology partnerships between industry, educational institutions and government.

The new era of liberalized trade requires a competitive workforce. To be more competitive internationally, the Canadian workforce must be better prepared through education and training for careers which are increasingly oriented toward high technology.

The Premiers endorsed the Education and Training Strategy of the Canadian Provinces and Territories and directed their respective Ministers responsible for Labour Market Matters and for Education to implement the recommendations and strategies.

Building on our provincial strengths in science and technology will assist each province to enhance economic productivity and diversification.

Premiers agreed to the proposal made by Premier John Buchanan to invite Provincial Science and Technology councils along with the National Advisory Board on Science and Technology to further the progress achieved during the first such meeting held in January 1988. Nova Scotia will host this second national meeting in June 1989.

Communique No. 6
Transportation

As part of their discussion of economic issues, Premiers called for renewed cooperation between federal and provincial governments on transportation infrastructure. They specifically addressed the need for a national costshared highway system capable of accommodating the rapidly increasing movement of goods by truck throughout the country, particularly in light of rail line abandonment.

The Premiers acknowledge the vital importance of maintaining highway, rail and other transportation modes appropriate to all regions of Canada.

At the same time, there is an ever-growing volume of truck traffic. Priorities will be placed on improvements to those portions of the Trans Canada Highway which are overburdened and may therefore pose problems in terms of safety and efficiency.

Communique No. 7

Health Care

Premiers agreed that all provinces face similar challenges in dealing with increased service and cost pressures on the health care system. They further agreed that a concerted collective effort by all governments is required to address these challenges and ensure that the quality of service provided by the health care system is preserved and enhanced.

Premiers agreed with the report presented by provincial and territorial Ministers of Health, and directed them to proceed with implementing the recommendations at their forthcoming meeting in Saskatoon.

Specific actions to be taken are:

A. Three National Symposia

1. Health Promotion and Disease Prevention

   A conference in British Columbia to act as a catalyst for nation-wide planning on coordinated initiatives in Health Promotion and Disease Prevention to balance the attention now being directed toward treatment of disease.

2. Emerging and New Health Care Technologies

   A conference in Quebec to emphasize the need for, and methods of, assessing the effectiveness of newly emerging health technologies, and assuring their orderly introduction for health benefits and cost effectiveness.

3. Assuring Effectiveness of Health Care Service

   A conference in Ontario to create awareness of, and exchange information on methods for assessing and assuring all government-funded health services are effective, of high quality, and appropriate to the needs of the patients who receive them.

B. Health Ministers will continue to explore possibilities with Health and Welfare Canada concerning the establishment of a fund to provide innovative new approaches to health services.

C. Provincial and territorial Ministers of Finance and Health will meet to review issues of stability, flexibility, adequacy and regional equity in the funding of health care services. A subsequent meeting with the federal Ministers responsible for Health and Finance is proposed.

Communique No. 8
The Family

Premiers agreed on the need to work together to develop initiatives to strengthen and enhance family life. They stressed that the strong individual need for support through stable relationships is more important than ever.

Premiers noted that a major challenge in the 1990s will be to find ways to promote a sense of family and community in an increasingly complex and diverse society.

Premiers agreed on the need for greater dialogue on family policy among their governments, the federal government, service providers and other interested groups and individuals. To provide a forum to initiate greater dialogue, Premiers agreed to co-sponsor a major conference on "The Family" in 1989. Premiers accepted Saskatchewan's invitation to act as host for this Conference.

Communique No. 9
Municipal Infrastructure Funding

The Premiers agreed that the continued competitiveness of the Canadian economy will depend to a significant degree on the maintenance and improvement of vital local infrastructure. A healthy economy as well as healthy and livable cities, towns and villages depend on having adequate transportation networks, water supplies and sewers.

The Premiers called on the federal government to support provinces in maintaining municipal infrastructure, to strengthen regional and local economies and to provide a clean and safe environment. They urged the federal government to commit itself now to providing significant funding so provinces can plan to meet the ongoing challenge of maintaining and extending municipal infrastructure.

Premiers pointed out that the long-term consequences of not addressing this important issue would impair Canada's economic growth and cause the loss of jobs and a diminished quality of the environment in all parts of the country.

The Premiers noted that their Municipal Affairs Ministers have called on the federal government for a clear support commitment on several occasions in recent years.

They added that a wide range of Canadian municipal organizations have also urged the federal government to recognize its responsibility for preserving and strengthening essential local infrastructure across the country. Several provincial and municipal studies have confirmed both the urgency of this priority and the magnitude of the investment required.

Premier Devine, as Chairman of this year's Premiers' Conference, will be contacting the Prime Minister in an effort to arrange an early meeting of Federal and Provincial Ministers to establish a timetable for dealing with this key priority in Canada.

Communique No. 10

Education and Training Strategy

The Premiers strongly endorsed the Provincial-Territorial Education and Training Strategy which was prepared as a follow-up to their 1987 Conference.

They termed the strategy a major step forward in intergovernmental cooperation and commended their Ministers of Education and Ministers responsible for Labour Market Matters for its preparation, under the leadership of Manitoba.

The Premiers pointed out that the strategy addresses issues which are fundamental to the ability of Canadian workers and Canadian enterprises to take full advantage of the economic opportunities offered by an increasingly competitive international environment.

They agreed that Canada's educational system must provide young people with the new skills and knowledge essential to enable them to participate successfully in that environment.

The strategy identifies three major challenges:

1. The need for all Canadians to acquire the basic knowledge and skills necessary for modern life.
2. The need to devise education, training and labour market systems which will eliminate access barriers so that all Canadians are able to participate more fully and equally in the labour market and in society at large.
3. The need to strengthen the linkages between the education and training systems. It is essential that these systems facilitate a smooth transition from school to work and between employment and continuing education and retraining.

The Premiers committed their governments to improved cooperative efforts to implement the Education and Training Strategy in close collaboration with other major partners. In addition, the Premiers agreed on the particular importance of further joint work on:

- new educational technologies;
- science and technology; and
- the financing of education and training.

Communique No. 11

Environment and Economy

Premiers reviewed environmental issues and stressed the importance of economic development approaches which are environmentally sustainable.

Premiers have agreed to make the environment a major agenda item for next year's Annual Premiers' Conference and have instructed their appropriate Minister to prepare for that meeting.

Appendix III

Western Premiers' Conference

Parksville, British Columbia
May 18-21, 1988

Communique No. 1
Agriculture

Overview

At the meeting of Western Premiers in Parksville, B.C., Western Premiers expressed concern about the severe pressures facing western agriculture. Destructive subsidy wars continue in international grain markets, while at home, farmers are facing harsh growing conditions and a difficult financial environment.

Agriculture – A National Priority

In these circumstances, the Western Premiers emphasized the critical need for close cooperation and consistent support policies among all governments in Canada. They commended the federal government for its substantial efforts to date, noting the unprecedented financial support which the Government of Canada has directed towards the agricultural sector in recent years.

Need for Immediate Ministerial Meeting

The Premiers will be contacting the Prime Minister to propose an immediate meeting of federal and provincial agriculture Ministers to coordinate plans for support of the agricultural sector in 1988, and in particular with regard to:

1. The Drought Situation

   In addition to the obvious need for a continuation of essential safety net programs this year, the Premiers believe the Agriculture Ministers should deal immediately with the need for special federal assistance and for federal-provincial coordination in dealing with drought and soil erosion conditions in the western region.

   The Premiers emphasized the particularly urgent need for action on assistance for the livestock industry.

2. 1988 Deficiency Payment

   The low grain prices which triggered the deficiency payments for the 1986 and 1987 crops will continue for the 1988 crop. Prices will remain substantially below levels of a few years ago and grain producers will remain in a situation where their net farm income could be zero or negative if no deficiency payment is forthcoming.

   The federal government should announce that the Special Canadian Grains Program will be extended to the 1988 crop, and the size of the payment should be announced in the fall, following consultations with producer groups and the provinces, and when more information is available on price levels.

3. Long-Term Soil Conservation Measures

   They agreed as well on the importance of federal-provincial cooperation in longer-term measures to encourage soil conservation and more effective water management in the West. They noted that the federal government had made specific proposals and agreed these should be followed up as soon as possible.

Milk Marketing

Premiers reiterated the support expressed last year for British Columbia's call for an increased share of the national quota for industrial milk production, to allow B.C. producers to meet the needs of the local market, and to take advantage of opportunities for expansion and diversification of the industry. At present, British Columbia's allocation under the national scheme allows B.C. producers to meet less than 30 per cent of local demand, while comparative economics is clearly in favor of more milk production in the province.

Tree Fruit Industry

The other three Western Premiers supported Premier Vander Zalm's call for federal government participation in the development of an aggressive marketing effort to improve sale and prices in the tree fruit industry, especially with respect to good quality B.C. apples.

Premiers also called on the federal government to look into the feasibility of special action similar to that for the grain growers to assist the fruit growers facing unusually low prices from heavily subsidized international sources.

Method of Payment

Western Premiers agreed that individual provinces should have the ability to determine the method of paying the Crow Rate in their province. Such flexibility acknowledges the differences in the agricultural economies in the West. Toward this objective, Premiers are requesting the federal government to consult with western provinces and to implement, as to pilot project, payment of the Crow benefit directly to grain producers in Alberta and British Columbia.

Tripartite Stabilization

In a discussion on tripartite stabilization plans, the Premiers acknowledged that they cannot expect to trade agricultural products in international markets and at the same time maintain production subsidies.

They reaffirmed their support for a review of all programs which are trade and production distorting so that an orderly and reasoned phase-out of programs can be developed, and a level playing field achieved. They noted that such a review should consider regional differences, and be directed to ensuring that all provinces can compete effectively in their areas of natural advantage. The Premiers recognized the process initiated by Agriculture Ministers to address this issue, and reaffirmed their support for that process.

Communique No. 2

Trade: GATT and the Multilateral Trade Negotiations

Western Premiers expressed keen interest in multilateral negotiations as a means to obtain fair rules for international trade of agricultural and natural resource products.

They are seeking a prompt solution for agriculture that would eliminate the counter-productive subsidization of grain production, reduce the surplus that is keeping grain prices low and prevent the recurrence of global agricultural trade problems.

They also agreed that because of the critical importance of the GATT negotiations to the future of the Western Canadian agriculture and resource-based economy, it is vital that Western provinces have direct participation in the development of Canada's negotiating position at GATT.

Premiers suggested that the extensive consultative process among First Ministers for the Free Trade Agreement be used as a model for the MTN. They reinforced the need to build upon the November 1985 First Ministers' commitment to full provincial participation in trade negotiations. In implementing this principle for the multilateral trade negotiations, Premiers urged the Prime Minister to consider a set of proposals for ongoing direct provincial participation.

Western Premiers urged the Prime Minister to continue to press vigorously at the Toronto Economic Summit to secure a commitment from the other leaders to work toward early and significant results for the agricultural sector in the Multilateral Trade Negotiations. Western Premiers agreed that there should be no lessening of the political will to finally come to grips with agricultural trade and subsidy problems. The Toronto Summit and the Mid-Term Review of the negotiations to be held in Montreal in December 1988, are critical opportunities to develop meaningful agreement toward the resolution of this issue.

Western Premiers agreed to establish a working group of Trade Ministers to develop common western positions on issues of mutual concern, and directed them to report to Premiers expeditiously.

Communique No. 3

Canada-U.S. Free Trade Agreement

The Western Premiers recalled their early support for free trade with the United States as first expressed at their 1985 meeting in Grande Prairie. In the intervening three years Canada has successfully negotiated a historic free trade agreement which will provide Canadians with greater access to the world's largest market, while providing more secure access for existing and future exports to the U.S. The Premiers commend Prime Minister Mulroney for persevering with this vital undertaking which will benefit all regions of Canada.

Western Premiers were united in expressing their strong support for the Canada-U.S. Free Trade Agreement. While recognizing the authority of the federal government to enter into international trade agreements, the Premiers cautioned that provincial constitutional responsibilities must be respected.

They expressed their satisfaction and appreciation for the close consultations that were maintained with the provinces throughout the negotiation process. The Premiers pointed to the need to maintain this cooperative approach throughout the implementation phase of the deal.

In discussing the Free Trade Agreement, Western Premiers noted the importance of the Canada-U.S. dispute settlement process. Premiers supported proposals for provincial involvement in this new process and called upon the Prime Minister to assure a meaningful role for the provinces in accordance with the agreement by First Ministers in November 1985 on full provincial participation in trade negotiations.

Western Premiers expressed their frustration and disappointment that one relatively small industry in Ontario is being used to delay the Free Trade Agreement's implementation and put at risk, for the West, the very significant

economic opportunities associated with free trade.

The Premiers noted that the federal government has indicated a willingness to provide significant compensation to the Ontario wine industry, which might be adversely affected by free trade, and encouraged the parties involved to come together to resolve any differences which exist. Premiers noted that assistance or appropriate compensation could be provided under the Free Trade Agreement, and within the established rules of the General Agreement on Tariffs and Trade (GATT).

Communique No. 4

Western Diversification Initiative

Western Premiers commended the federal government for launching the Western Diversification Initiative (WDI) last year, and expressed confidence that the initiative offers the potential to assist in the diversification of the economies of the West.

To ensure the effective implementation of this important initiative, Premiers called upon the federal government to improve the responsive delivery of the WDI and not allow bureaucracy to stifle the political commitment.

Premiers also stressed the point that the initiative not be used to replace existing programs, and recalled the federal government's commitment that the Western Diversification Initiative would represent an enhancement of federal resources in support of western diversification.

Premiers underlined the importance of close consultation and cooperation between the federal government and the provinces in implementing the initiative, and directed their Ministers responsible for diversification to meet as soon as possible with the federal Minister to ensure better coordination in pursuing the objectives of the Initiative.

Premiers noted that western provinces are at the leading edge in a number of areas, and reiterated the importance of federal efforts to support that leadership, in particular through assisting in the creation of world Centres of Excellence in western Canada. These areas include: information technology and business services; aerospace industries; marine technology and subsea engineering; agriculture science; forest and agricultural biotechnology; microelectronics; oil field equipment; health industries; transportation; communication; and fisheries and aquaculture.

Communique No. 5

KAON

Following a visit to the University of British Columbia to view TRIUMF (the Tri-University Meson Facility), the world's largest cyclotron facility, the Western Premiers expressed their support for British Columbia's proposal to upgrade TRIUMF to a KAON factory, the next generation of research facilities in the area of high energy physics.

They agreed that the project exemplifies the specific efforts being made to encourage new investment in science and technology throughout the West. The Premiers noted that the project will have great scientific, educational and commercial benefits not only for British Columbia but for Canada as a whole.

The Premiers were particularly impressed by the application of the research to the treatment of specific types of cancer, and called the federal government to commit an appropriate level of funding so the KAON project can be carried through to completion.

Communique No. 6

Premiers Urge Lower Interest Rates

Western Premiers supported Alberta's call for lower interest rates. Canadian interest rates have been rising steadily over the past year, with short-term interest rates more than two percentage points above U.S. rates. Premiers noted that this policy, which seems to have been triggered by some forecasts of higher inflation caused in part by the strong southern Ontario economy, has a serious and unfair impact on homeowners, farmers, manufacturers, small businessmen, forest workers and the development potential of the West.

National monetary policy must consider economic conditions and unemployment in all of Canada, not just southern Ontario, where the unemployment rate has been substantially lower than the national average. It must be truly national. Most Canadian provinces are just rebounding from the downturn of the early 1980s and starting to turn their economies around, and lower interest rates are needed to maintain or stimulate the new economic growth.

Premiers noted that implementation of the Free Trade Agreement can be expected to reduce inflationary pressures, and thereby reduce interest rates in Canada. The Free Trade Agreement will strengthen the Canadian economy and lead to lower consumer prices.

Premiers again stated that the provinces should be consulted regularly by the Bank of Canada and the federal Department of Finance on the often-uneven regional impacts of their policies. While urging immediate action on lower rates, the Western Premiers agreed that monetary policy and interest rates be included on the agenda of the November 1988 First Ministers' Conference on the Economy in Calgary.

Communique No. 7
Western Cooperation

Western Premiers noted and supported Manitoba's call for continued and enhanced cooperation in economic development and diversification among the Western Provinces.

The Premiers noted a number of successful achievements in western cooperation, including the harmonization of trucking regulations, efforts to harmonize legislation regarding financial institutions, and recent initiatives for tourism promotion between British Columbia and Alberta.

With a view to expanding areas of cooperation, the Premiers reviewed the status of activities undertaken by the Western Diversification Ministerial Working Group which the Premiers created at last year's Western Premiers' Conference in Humboldt.

These activities included:

1. Interprovincial trade barriers – examination of the potential for using procurement as a tool for western economic development, the harmonization of transportation regulations, and opportunities related to the health care products industry.
2. Tourism development cooperation – review of opportunities for western interprovincial tourism cooperation, focusing on cooperative marketing efforts, a tourism management development centre, and the development of adjoining destination areas.
3. Trade promotion and representation abroad – western provincial cooperation in this area was reviewed and it was suggested that cooperative efforts be concentrated initially in the areas of promotional material and trade fairs. Other initiatives identified for later action include trade missions, foreign trade consultants, foreign offices and market research projects.
4. Future activities – a number of other issues were identified for future investigation including cooperative initiatives in science and technology, restraint on interprovincial competition for investment, and the development of free trade zones.

Premiers directed the Ministerial Working Group to expeditiously pursue and implement these further opportunities for increased cooperation.

Communique No. 8
Federal Procurement in the West

For the last 15 years, Western Premiers have been urging the Government of Canada to increase its purchases from the West in order to expand employment opportunities and encourage economic diversification.

Currently, however, none of the four Western provinces receives a share of federal procurement which is equivalent to its share of population. Overall, federal procurement in the West has dropped from 15 per cent in 1982-83 to under 12 per cent in 1986-87, while the West accounts for almost 30 per cent of the Canadian population.

To help rectify this situation, the federal government recently proposed a number of measures, such as improved market opportunity analysis, supply assistance packages for western Canadian firms, a supplier outreach campaign, a western supplier development program, and providing western suppliers with the information they require to compete on an equal footing for potential federal procurement opportunities.

Premiers view these proposals as steps in the right direction. They agreed, however, that genuine progress toward achieving a fairer share of federal purchases in the west needs a more solid and substantial commitment by the Government of Canada.

On the recommendation of the Western Ministers responsible for procurement, Premiers agreed:

1. To seek a commitment from the federal government to increase procurement spending in western Canada by establishing a minimum level and a timetable for its attainment. The Premiers noted that such a minimum was established recently for federal government purchases in the Atlantic Region;

2. To endorse the changes in federal procurement practices recommended by the Procurement Ministers' Task Force on Improving Access to Government Procurement. Since the work was undertaken at the request of First Ministers, the Western Premiers called upon the Prime Minister to implement, on a priority basis, the recommended changes. Several of these changes would involve further decentralization and delegation of procurement decision-making to federal regional offices in the West.

Communique No. 9

Drug and Alcohol Abuse

The rapid pace of change in family and working lives is placing particularly intense pressures on today's youth and their families. These pressures have resulted in an alarming increase in drug and alcohol abuse.

To address this serious problem, Western Premiers emphasized the need for effective educational and preventative efforts beginning at an early age, to counteract these pressures and encourage healthier lifestyles.

Premiers placed a high priority on developing a special western drug and alcohol abuse prevention initiative which would include education, prevention and treatment programs. Premiers agreed to commit additional resources for this initiative.

They directed their Ministers to identify specific actions which can be taken cooperatively in the provision of services to assist these young people and their families. Ministers will review existing services, programs and facilities in the West. They will also assess national and international experience to identify particularly effective models for use in the West.

Premiers advocated the development of specialized preventative programs and treatment facilities, and their use on a coordinated regional basis, to avoid duplication and overlap. Examples of such specialized facilities include White Spruce, the first free-standing treatment centre for youth in the country, which recently opened near Yorkton, Saskatchewan, and Peak House, a residential alcohol and drug treatment centre for young people and families, to open June 2 in Vancouver. Manitoba and Alberta are also currently developing proposals to expand educational programs and drug and alcohol abuse services for youth in the near future.

Communique No. 10

Social Policy

Western Premiers affirmed that economic growth and development and the level and quality of services provided to people go hand in hand in creating a better Western Canada. Premiers endorsed Saskatchewan's leadership in seeking improved ways to provide comprehensive health care services to Canadians in the face of challenges, such as an aging population and rapid advances in technology.

Western Premiers recognized the need for the federal and provincial governments to cooperate in seeking creative new ways to address the range of health care related issues currently confronting Canadians. They expressed support for the work of Health Ministers in developing strategies to improve the level and quality of health care, as discussed in the interprovincial report "Future Directions for Health Care Services". Premiers look forward to reviewing the Ministers' specific recommendations for action at this year's Annual Premiers' Conference in Saskatoon in August.

Premiers recognized the paramount importance of the family and the need to provide protection through family services, including child care, support services to single parents, and services to victims of family violence.

Premiers discussed the accomplishments that have been made in the care provided to the elderly and the handicapped. They also considered issues related to social assistance and agreed that innovative and sensitive solutions are required to help break the vicious circle of welfare dependency. They directed their Ministers responsible for social services to identify possible cooperative efforts to improve these services.

Western Premiers reaffirmed support for the initiative launched at last year's Annual Premiers' Conference to develop an interprovincial education/labour market strategy. They expressed their expectation that agreement will be reached on the strategy at the upcoming Annual Premiers' Conference in August.

They noted that Manitoba, as chair province, has responsibility for coordinating this interprovincial initiative. In their discussions, Premiers gave particular attention to the issues of literacy and services for children with special needs.

Communique No. 11

Forestry Development Agreements

The Western Premiers endorsed British Columbia's call for continued priority for forestry development and management activities, including reforestation, under the federal-provincial Economic and Regional Development Agreements.

All Premiers noted the substantial progress achieved under these sub-agreements. They announced their intentions to seek renewals of current sub-agreements, in order to continue successful efforts to further develop and strengthen this vital industry.

Premier Vander Zalm noted the substantial progress made under this program to date in rehabilitating previously logged sites in the province, bringing thousands of hectares of forest lands into productive use. He highlighted British Columbia's overall objective of removing the backlog of reforestation by the year 2000.

Communique No. 12

Unanimous Support for Triple E Senate
The Parksville Accord

The Western Premiers unanimously endorsed the principles embodied in the Triple E Senate concept in their meeting today in Parksville, B.C. While recognizing that a national consensus on Senate reform will be the subject of negotiations in the coming months, the Premiers agreed that an Effective, Equal and Elected Senate would provide the basis for a more representative national Parliament.

Communique No. 13

Western Premiers Welcome Chinese Vice-Premier Tian Jiyun

Western Premiers appreciate the opportunity to meet in Parksville, B.C. on May 21, with His Excellency Tian Jiyun, the Chinese Vice-Premier responsible for trade, commerce and agriculture, and his delegation.

Premiers expressed pride in the west's importance in Canada's overall economic relations with China, and indicated their desire to continue as a reliable, competitive and fair supplier of Western Canadian products.

Western Premiers are aware of and fully support the mutual desire of China and Canada to expand and diversify their commercial relations, including two-way trade, investment and development assistance.

Western Premiers noted with satisfaction that Canada has welcomed China's application to join the General Agreement on Tariffs and Trade (GATT), and their recent membership in the World Bank and the International Monetary Fund. These actions should work to increase the trade and capital flows between our two countries.

The growing support for more liberalized trade between Canada and the United States is increasingly being extended to other trading partners in the global village.

We must continue to seek freer and fairer trade opportunities with all our major trading partners, and China offers this opportunity in the future.

Appendix IV

Alberta's Language Policy

A Ministerial Statement Given By The Honourable James D. Horsman, Attorney General and Minister of Federal and Intergovernmental Affairs in the Alberta Legislative Assembly on June 22, 1988

Mr. Speaker, I would like to make a statement regarding language policy in Alberta. In doing so, Mr. Speaker, I would like to emphasize at the outset that the Government of Alberta is sensitive to the great importance that all Canadians attach to questions of language and culture. These are not abstract issues. Language and culture are deeply rooted in our everyday experiences as a people and a nation. They form the foundation for our sense of community, the bonds of family and ultimately the expression of the aspirations of individual Canadians. It is my hope, Mr. Speaker, that we can address this matter with moderation, tolerance and a sense of balance.

I want to point out that the ability of provinces to respond to the needs of its residents on language and other cultural matters is an essential element in Canada's federal system. The Fathers of Confederation recognized that different provinces needed to respond to the linguistic and cultural diversity within each province in different ways. Indeed, this was an essential feature of the Confederation bargain.

My statement today, Mr. Speaker, arises in response to a Supreme Court judgment involving s.110 of the **North-West Territories Act**, which provided for the use of English and French in the Legislative Assembly, in legislation, and before the courts. Section 110 fell into disuse by the territorial government, and when Alberta and Saskatchewan became provinces in 1905, it was believed that s.110 no longer applied. Thus, its provisions have not been exercised for almost a century. In February 1988 the Supreme Court ruled that s.110 did in fact remain in force in Saskatchewan. By implication, the provisions of s.110 also could be in force in Alberta.

Mr. Speaker, the Government of Alberta is proposing a package of legislative and policy initiatives designed to respond in a comprehensive way to the language issues that have arisen as a result of the Supreme Court decision. There are five components to the reform package we are proposing. They were developed following consultations with the Alberta francophone association and numerous representations from other groups and individuals.

The Government of Alberta has introduced today the **Languages Act** to bring Alberta into conformity with the Supreme Court judgment. The application of the *Mercure* decision in Alberta would mean that all the laws and regulations in Alberta which were passed since the creation of the province in 1905 are invalid since they were not passed in French as well as English. To clarify this situation the **Languages Act** will repeal s.110 of the **North-West Territories Act** as it applies to Alberta. The Act also will declare valid all prior provincial legislation, the Standing Orders and the records and journals of the Assembly.

The legislation then goes on to enact provisions which cover the same subject areas as contained in s.110. The **Languages Act** will provide that English will be the language of Alberta legislation.

We will also be proposing a number of changes to the rules of the Assembly in relation to the use of language. The Assembly has rescinded Standing Order 17.1. Following the passage of the **Languages Act**, a new Standing Order will be recommended which will provide that English and French may be used in the Assembly. The official publications of the Assembly will record matters in either English or French. Hansard will record in either English or French, without translation.

Members may use languages other than English and French in the Assembly, subject to the approval of the Speaker. Prior written notice and an English translation of the remarks will be given to the Speaker. The translation will be shown in the records.

Mr. Speaker, the federal government has introduced an amendment to the Criminal Code of Canada which makes it mandatory for all provinces, including Alberta, to conduct criminal trials in either English or French by 1990. Alberta must, therefore, undertake further measures to comply with the federal requirements. Individuals will have the right, if they so choose, to a judge, jury and prosecutor who speak either English or French, depending on the language of the accused. In addition, the accused and legal counsel may use either English or French in any proceedings relating to the preliminary inquiry or trial of the accused. In view of the significant costs associated with such an initiative, Alberta will be seeking federal financial assistance to facilitate the implementation of the program.

With regard to civil courts, every participant in court proceedings will be entitled to speak either English or French. If necessary, an interpreter will be provided. The court proceedings will be recorded in the language spoken. In the area of provincial offences, individuals will also be entitled to speak either English or French. Similarly, the court proceedings will be recorded in the language spoken.

The development of a language policy for education is a high priority for the Government of Alberta. The policy will encourage a wide variety of language of instruction opportunities in our education system and will have four major components.

1. We have fully recognized the unique rights of francophones who qualify under s.23 of the Charter of Rights and Freedoms in the new School **Act**. The provision for the Lieutenant Governor in Council to establish regulations in this area reflects the importance that this government places on establishing appropriate policies and procedures for ensuring that the rights of francophones are met. In the near future the Government of Alberta intends to bring forward regulations under the **School Act** which are consistent with the rights of francophone parents established in the Charter of Rights and Freedoms.

2. The Government of Alberta will also continue to provide opportunities for English speaking students to learn French. Wherever the numbers of students are sufficient, this government encourages and provides additional funding for school boards to respond to the wishes of their communities by providing opportunities for students to learn French either through immersion programs or through French second language courses.

3. Alberta is a province whose people possess a rich diversity of cultural and linguistic backgrounds. This heritage remains as a profound feature of Alberta society. The programs and opportunities available to students reflect Alberta's strong multicultural heritage. The Government of Alberta remains committed to providing opportunities for students to learn French and an unprecedented range of other languages including aboriginal languages, Ukrainian, German, Italian, Hebrew, Chinese and so on.

4. In addition, the Government of Alberta will continue to provide opportunities for students who are new to Canada and Alberta to learn English in order that they can become equipped to live, study and work productively in the province.

Mr. Speaker, in recognition of our multicultural society and the importance of language in the communications between citizens and government, the Government of Alberta already offers a variety of services and programs in a number of languages in order to

better serve the people of Alberta. Where appropriate, we will continue to enhance the language services available to all Albertans.

Taken together, the initiatives announced today are a strong reflection of our multicultural heritage and the diversity on which this province has been built. This language policy takes into account the reality of Alberta and the distinct nature of Alberta society.

(May not be precisely as delivered. A verbatim transcript is found in Alberta Hansard, June 24, 1988.)

Appendix V

Ministerial News Releases

June 22, 1988

Alberta Language Policy Announced Today

Edmonton – The Government of Alberta today outlined a comprehensive response to the use of languages in the province of Alberta. In doing so, the importance that all Albertans attach to questions of language and culture was acknowledged.

"Language forms the foundation of our sense of community and heritage," said Jim Horsman, Attorney General and Minister of Federal and Intergovernmental Affairs. "The Supreme Court judgment in what is known as the Mercure case has provided the impetus for a review of the current practices in our Legislature, courts, and schools. The Government of Alberta also has used this opportunity to review the languages in which it communicates with the citizens of our culturally diverse province."

Mr. Horsman went on to say, "Consultative meetings have been held with the Association canadienne-francaise de l'Alberta. As well, my colleagues and I have met with people across the province and we have received a large number of representations from concerned groups and individuals. The package of legislative and policy initiatives put forth today reflects those consultations and input, which we consider to be part of an ongoing process to ensure that the language and cultural aspirations of Albertans continue to be met."

There are a number of components to the languages response, including:

- Introduction of the **Languages Act**;
- Amendments to the rules of the Legislative Assembly;
- Additional language services in both Civil and Criminal Courts;
- A commitment to developing a Language Policy for Education; and
- An inventory of Alberta Government services and publications available in French and languages other than English.

Languages Act

The Government of Alberta has introduced the **Languages Act**, which will validate all prior provincial legislation, Standing Orders and the records and journals of the Assembly and will repeal the application of section 110 of the **North-West Territories Act, 1886** to Alberta. The Act will provide that English will be the language of Alberta legislation.

The Act will bring Alberta into conformity with the Supreme Court judgment involving section 110 of the **North-West Territories Act, 1886**. The application of the Supreme Court judgment to Alberta would have meant all laws and regulations passed in Alberta since its creation in 1905 would have been invalid as they were not passed in English and French.

Section 110 provided for the use of English and French in the Legislative Assembly, in legislation and in the courts. Section 110 fell into disuse by the territorial government, and when Alberta and Saskatchewan became provinces in 1905, it was believed that section 110 no longer applied. Thus, its provisions have not been exercised for almost a century. In February 1988 the Supreme Court ruled that section 110 did in fact remain in force in Saskatchewan. By implication, the provisions of section 110 also could be in force in Alberta.

Rules of the Legislative Assembly

The Government is seeking changes to the rules of the Assembly. The Assembly has rescinded Standing Order 17.1. Following the passage of the new **Languages Act**, a new Standing Order will be proposed which will provide that English and French may be used in the Assembly. Hansard, the official record of the Assembly's proceedings, will be recorded in either language, without translation.

Language Services in the Courts

Participants in civil court proceedings may speak either English or French. Interpreters will be provided where necessary and court proceedings will be recorded in the language spoken.

The federal government has introduced an amendment to the Criminal Code of Canada which makes it mandatory for all provinces, including Alberta, to conduct criminal trials in either English or French by 1990. Alberta must, therefore, undertake further measures to comply with the federal requirements. Individuals will have the right, if they so choose, to a judge, jury and prosecutor who speak either English or French, depending on the language of the accused. In addition, the accused and legal counsel may use either English or French in any proceedings relating to the preliminary inquiry or trial of the accused. In view of the significant costs associated with such an initiative, Alberta will be seeking federal financial assistance to facilitate the implementation of the program.

Language Policy for Education

The new **School Act** recognizes the cultural and linguistic diversity of Alberta, including the rights of francophone parents. Under provisions in the new **School Act**, the Lieutenant Governor in Council will establish regulations reflecting the importance that is placed on ensuring that the unique rights of francophones under section 23 of the Charter of Rights and Freedoms are recognized.

The Government of Alberta will also undertake measures to support and encourage a wide variety of language of instruction opportunities in the province's educational institutions. A Language Policy for Education will be developed by the Minister of Education. The Minister will consult widely with Albertans, both during the development of the language policy and prior to its implementation.

Inventory of Government Services and Publications

A copy of the inventory of Government of Alberta services and publications available in French and languages other than English is enclosed.

A media availability session will be held in the Carillon Room this afternoon, following Question Period, with Jim Horsman, Attorney General and Minister of Federal and Intergovernmental Affairs and Les Young, Government House Leader and Minister of Technology, Research and Telecommunications.

September 13, 1988

Minister to Lead Senate Reform Mission

Edmonton – Jim Horsman, Minister of Federal and Intergovernmental Affairs, today announced that he will lead a cross-country mission by the newly-formed Senate Reform Task Force to promote Alberta's Triple E Senate model. The Alberta proposal has been unanimously approved by the Alberta Legislature both before and after the 1986 general election.

Chairman of the task force, which is comprised of himself; Stan Schumacher, MLA for Drumheller; Bert Brown, Chairman, Committee for a Triple E Senate; Dr. Peter Meekison, constitutional expert and Vice-President, Academic, of the University of Alberta; and another MLA on an alternating basis, Mr. Horsman indicated the visits would commence in mid-October and conclude prior to the First Ministers' Conference scheduled for November 27 and 28 in Calgary.

The visits will include discussions with government representatives in Ottawa and each provincial and territorial capital. The Task Force also will encourage discussions with other interested Canadians.

"At the Annual Premiers' Conference in Saskatoon, Premier Don Getty reached agreement with all other premiers that Alberta would lead the bilateral consultations with other governments, and visit each province and territory to discuss and promote Senate reform" said Mr. Horsman. "This issue is the first constitutional priority of our government, and we will be working hard over the next several months to ensure it becomes the number one constitutional priority for all of Canada."

Saturday, October 22, 1988

Alberta Reaches Agreement with Lubicon Band

Grimshaw, Alberta – "The Province of Alberta will provide 79 square miles of land as a full reserve for the Band, as I discussed with Chief Ominayak last week," announced Premier Don Getty at a news conference held at the Mile Zero Motor Inn.

Following almost seven hours of negotiations, the Premier and Chief Bernard Ominayak reached agreement on the amount of land, including mines and minerals, the province is prepared to transfer to the federal government for the Lubicon Lake Indian Band Reserve.

In addition, the Premier indicated the province is prepared to "sell the surface rights to 16 square miles of land to the federal government for use by the Band. How the land is used will be decided jointly by the Band and the federal government."

Calling the negotiations long and challenging, Premier Getty paid tribute to the cooperation and spirit of goodwill shown by Chief Ominayak. "I've enjoyed working and negotiating with him," he said, "and I'm looking forward to working with him in the future. We have agreed we will stay in close communication on all matters that may be important between us."

Chief Ominayak thanked Premier Getty for his assistance in reaching an agreement. "It's not all we were looking for," said the Chief, "but it is a whole lot more than we had in the past. I think Premier Getty has shown great courage by taking the bull by the horns and doing what he has done. He deserves a lot of credit." "Chief Ominayak and I have reached an agreement," said Premier Getty, "and I would hope sincerely that the federal government would show the same spirit of cooperation and goodwill that was shown today, and approve that agreement."

The Premier acknowledged the ultimate responsibility of the federal government in land claim settlements. He referred to the unique nature of the circumstances surrounding this particular settlement. The joint proposal on the 79 square miles/202 square kilometres for the reserve, and the additional 16 square miles/41 square kilometres will be forwarded to the federal government as soon as possible.

Other matters relating to the establishment of the reserve will be dealt with on a priority basis by negotiators. Premier Getty said he anticipated those discussions would begin early next week. For example, he indicated that there would be discussions on Lubicon Band input to the way wildlife and environmental management are handled in the area around the reserve.

Chief Ominayak also agreed that Alberta's laws will be respected and upheld.

Monday, October 24, 1988

Proposal Sent to Federal Government

Edmonton – Government of Alberta and Lubicon Lake Indian Band negotiators today forwarded a joint proposal to the federal government negotiator. The joint proposal formally outlines those matters agreed to by Premier Don Getty and Chief Bernard Ominayak at their successful meeting on October 22, 1988.

The proposal confirms that "Alberta is prepared to transfer to Canada the

administration and control of 79 square miles/ 202 square kilometres of provincial Crown land, including mines and minerals, to enable Canada to establish an Indian Reserve for the use and benefit of the Lubicon Lake Indian Band and its members."

As well, the province is prepared to sell to Canada at fair market value a further 16 square miles/41 square kilometres, excluding mines and minerals, for use by the Band. Arrangements concerning the surface use of these lands will be between the Lubicon Band and Canada, with Alberta retaining ownership and control of mines and minerals.

The provincial and Band negotiators met today in Edmonton for five hours. Discussions will continue on other matters, such as wildlife and environment management in the area around the reserve, tomorrow in Edmonton.

February 17, 1989

Senatorial Selection Act Introduced

Edmonton – The Government of Alberta took an historic step today and affirmed its commitment to Senate reform by introducing the **Senatorial Selection Act**.

"Alberta will be the first province in Canadian history to allow the people to decide who represents them in the Senate," said Premier Don Getty. "Albertans have told me that they want a "Triple E" Senate. This Act is a very important step in achieving that goal."

Alberta believes that a reformed Senate, a "Triple E" Senate—elected, equal, and effective, will mean a stronger, more unified Canada. It will better represent the provinces and territories, result in better federal legislation, and give all Canadians added confidence in their institutions of government. By electing Senators, Canadians will have a direct say in who should represent their interests. Equal representation will respect the federal nature of Canada—ensuring that each province has a voice in important issues. And in order to represent the provinces and territories of this country, the Senate must have effective powers.

"When the first election is held under the Act," said Jim Horsman, Minister of Federal and Intergovernmental Affairs, "Albertans will be sending an important message to their fellow Canadians—that in a democracy, all citizens should be able to say who represents them. And that first Senate nominee, who I am confident will be chosen by the Prime Minister to sit in the Senate, will forever change the face of our second chamber."

Appendix VI

Alberta's International Agreements

Department/Agency by Country of Agreement

Advanced Education

- Memorandum of Understanding to establish academic cooperation between the Harbin Normal University and the University of Lethbridge (signed in October 1988).
- Hokkaigakuen/University of Lethbridge Exchange Agreement (signed in October 1988).

Alberta Oil Sands Technology and Research Authority (AOSTRA)

- Agreement with the China National Petroleum Corporation (CNPC) for scientific and technical cooperation in the area of recovery and utilization of tar sands and heavy oil (signed in February 1989).
- Agreement with the Henan Oil Exploration Bureau (HOEB) of the China National Petroleum Corporation for scientific and technical cooperation in the area of recovery and utilization of heavy oil and bitumen (signed in March 1989).
- Agreement with Rompetrol (Romania) for cooperation in heavy oil recovery (signed in May 1988).
- Agreement with Petroleos de Venezuela S.A. (PDVSA) for scientific and technical cooperation in the area of recovery and utilization of conventional and heavy oil (signed in August 1988).
- Agreement with the Turkish Petroleum Corporation (TPAO) (signed in August 1988).
- Agreement with the Cuban Oil Trust (UEP) for scientific and technical cooperation in the area of recovery and utilization of tar sands and heavy oils (signed in October 1988).

Alberta Research Council

- Program of Research of Fossil Fuel Multiphase Flow Sciences with the International Energy Agency (signed in February 1989).
- Agreement with Indonesian Directorate of Highways (signed in May 1988).
- Agreement with the American Plywood Association (signed in August 1988).

Economic Development and Trade

- Agreement with the China National Petroleum Corporation to establish a petroleum technology exchange and training centre in Beijing, China (signed in February 1989).

Environment

- Alberta Environmental Centre and the New Jersey Institute of Technology Waste Stabilization Research Agreement (signed in December 1988).
- Alberta Environmental Centre and the United States Environmental Protection Agency Solid/Stabilized Waste Agreement (signed in March 1989).

Recreation and Parks

- Agreement for sports cooperation with the Province of Kangwon, South Korea (signed in October 1988).